WHERE WE ARE TODAY

2001 ANNUAL REPORT

WCB
Workers Compensation
Board of Manitoba

www.wcb.mb.ca

LETTER TO THE MINISTER

March 2002

The Honourable Becky Barrett
Minister Responsible for The Workers Compensation Act
Room 317, Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister:

We are pleased to present our 2001 Annual Report in accordance with the provisions of *The Workers Compensation Act*. This report covers the twelve month period from January 1, 2001 to December 31, 2001. It includes the statement of accounts required to be kept under the Act.

Respectfully submitted,

Wally Fox-Decent
Chairperson

102-04965/

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**** This document is also available in large print format. Please call 954-4760.***

Wally Fox-Decent
Chairperson

Doug Sexsmith
President & Chief Executive Officer

LETTER FROM THE CHAIRPERSON AND THE PRESIDENT & CEO

Where we are today—the theme of this year's report—is a summation of the progress we have made with our partners on the road to a safer and healthier Manitoba.

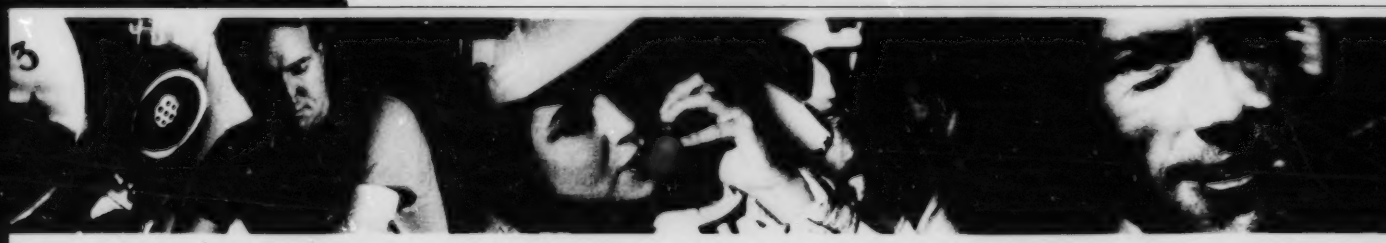
We are starting to see tangible results in accident reduction with a 6.1 percent decrease in total accidents reported to the WCB in 2001.

With more than a year's experience, our new team approach to resolving claims is gaining widespread support. Workers and employers are telling us regularly that the team approach works. Our service delivery teams ensure that an injured worker receives the full range of health care and support needed to return to health and work as soon as possible. They work with injured workers, their representatives and employers to facilitate the worker's return to health and work.

An important tool for the WCB to promote accident prevention is our rate setting process. Changes made over the past two years link an employer's accident experience much more closely to their WCB rate. The approach we've taken emphasizes the importance of safety in the workplace and its benefits. Employers are rewarded through lower rates for reducing accidents and having effective disability management programs. In 2001, 83 percent of employers had their WCB assessment rates go down, some as much as 11 percent.

To show employers the direct impact of their claims experience on the rate they pay to the WCB, a "scorecard" has been developed. The scorecard shows a firm's previous five year claim costs, and projects their claim costs and WCB assessments for the next five years, under various scenarios. The project is being piloted to firms with high claim costs and draws attention to the need for additional prevention measures and the benefits of safer workplaces.

We continue to support, through our Community Initiatives and Research Grants, programs and research that prevent accidents. The WCB has invested in the safety of youth by providing financial support for health and safety training programs in schools. New workers have the highest accident rate and often the most severe accidents. With occupational health and safety on their training agenda new workers will be better able to recognize work place hazards and be prepared to keep themselves safe.



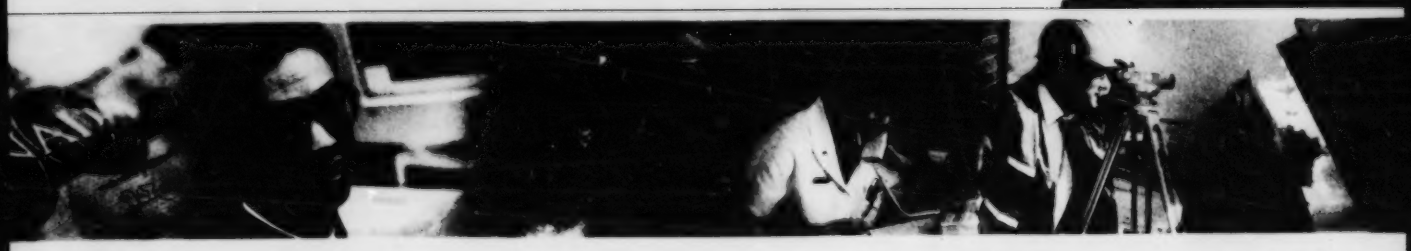
Renewing business processes and an emphasis on sound fiscal management has built a strong financial foundation for the WCB in Manitoba. We continue to have the lowest administration cost per time loss claim in Canada.

A review on improving Workplace Safety & Health was conducted in 2001. The purpose of the review was to develop support for a provincial workplace safety and health culture resulting in dramatically improved attitudes toward health and safety. The review committee has made recommendations that will contribute to safer workplaces. The Workers Compensation Board of Manitoba is committed to working with Workplace Safety & Health to achieve the objectives and goals of prevention outlined in the review report.

The accomplishments outlined in the annual report are a reflection of the dedication of our Board of Directors, management and staff to the WCB. We will continue to work with our partners for healthier and safer workplaces for all Manitobans.

Wally Fox-Decent
Chairperson

Doug Sexsmith
President & CEO



Board of Directors

BOARD OF DIRECTORS AND BOARD COMMITTEES

The role of the Board of Directors is to approve and oversee the policies and direction of the WCB, including policies respecting compensation, rehabilitation, assessments and appeal procedures. By statute the Board consists of 10 members appointed by Order in Council from nominations submitted by employers, labour and the public. This tripartite representation includes a Board Chair, three representatives of workers, three representatives of employers and three members representing the public interest. The President and CEO is a non-voting member of the Board of Directors.

BOARD OF DIRECTORS

Wally Fox-Decent, *Chairperson*
Neil Enns, *Public Interest Representative to September 30, 2001*
Keith Ferbers, *Public Interest Representative*
Ed Gallos, *Employer Representative*
Dayna Hammond, *Public Interest Representative*
Paula Keirstead, *Public Interest Representative from October 1, 2001*
Karen Naylor, *Worker Representative*
Bob Sample, *Worker Representative*
Sharon Seabourne, *Employer Representative*
Barrie Simoneau, *Employer Representative*
Bruno Zimmer, *Worker Representative*
Doug Sexsmith, *President & CEO*

The Board would like to recognize the contribution of Neil Enns for his services to the Worker's Compensation Board of Manitoba.

BOARD COMMITTEES

Policy Committee

Wally Fox-Decent
Ed Gallos
Keith Ferbers
Karen Naylor
Doug Sexsmith

The Policy Committee was created under section 51.1 (2) and (3) of *The Workers Compensation Act.* The Committee reviews and recommends changes to existing policy and initiates new policy through consultation with stakeholders of the WCB. It also serves as the Human Resources Committee of the Board.

Finance Committee

Wally Fox-Decent
Barrie Simoneau
Dayna Hammond
Bruno Zimmer
Doug Sexsmith

The Finance Committee also serves as the Audit Committee of the Board. It was established to review the financial position of the WCB including the annual budget, assessment rates and related financial policies.

Service Committee

Wally Fox-Decent
Neil Enns *to September 30, 2001*
Sharon Seabourne
Paula Keirstead *from October 1, 2001*
Bob Sample
Doug Sexsmith

The Service Committee assists the WCB's administration in accelerating and monitoring service improvements and recommending approval of funding under the WCB's Community Initiatives and Research Program.

INVESTMENT COMMITTEE

Wally Fox-Decent
Advisors: Sherman Kreiner
Cal Roberts
Alan Howison *to September 13, 2001*
Pat Gannon

The Investment Committee was created under Section 95 of *The Workers Compensation Act* to regularly review WCB investments and provide written direction for the investment portfolio. The Investment Committee is considering additional opportunities to invest in the Manitoba economy.

2001 HIGHLIGHTS

Case Management Model now fully operational

The new Case Management Model rollout was completed in October 2000. Services have been aligned along industry sectors and a focus has been placed on disability management and the development of a teamwork culture. The new model provides better continuity of service by providing one WCB contact, supported by a full service team, for workers and employers. Case management processes have been streamlined to reduce delays and provide more responsive service.

Claim Information Centre introduced

A new Claim Information Centre (CIC) was launched May 22, 2001 to improve timeliness in reporting workplace injuries. Workers and employers can now report accidents by phone making the reporting process much quicker and easier. The sooner the WCB finds out about accidents, the sooner the Board can ensure the worker receives the benefits and services needed to get back to health and work.

CompLink-public awareness campaign

"If you're hurt at work, we're here to help". This is the theme of CompLink, the WCB service brand, and it refers to all the public awareness efforts undertaken in 2001 in tandem with the launch of the CIC in May.

Rate Setting Model enhanced

The Rate Setting Model implemented for 2001 links employers' accident experience more closely to their WCB rates. The goal is simple—reduce accidents and implement and maintain effective disability management programs. The result is that employers are rewarded by reduced assessment rates.

Average assessment rate remains unchanged

For 2001, employers in Manitoba paid an average assessment rate of $1.49 per $100 of assessable payroll—one of the lowest workers compensation rates of the provinces. In fact, this was more than the 10th straight year with no increase to the average assessment rate.

Regional services pilot project

In 2001, the Board of Directors approved a pilot project for a regional office in Thompson. This office will provide integrated claim management services to clients in Thompson and the surrounding areas.

Financial position

The WCB has maintained a strong financial position in spite of uncertain economic times.

Costs were well contained in 2001. Total reported accidents were down 6.1 percent and there was a $7.8 million drop in claim costs incurred compared to 2000. As well, Manitoba maintained the lowest administrative cost per time loss claim in Canada.

Unfortunately, due to weak financial markets, investment revenue dropped by over $16.0 million compared to 2000, resulting in a $2.4 million operating deficit for the year. As a result of the 2001 deficit, the Accident Fund and the Rate Stabilization Fund declined to a total of $75.1 million. These reserves continue to provide protection from future financial risks.

PROTECTING WORKERS

Workplace practices have the greatest influence on what employers pay for workers compensation assessments.

Workplace practices have the greatest influence on what employers pay for workers compensation assessments. Our rate setting process is the most effective tool at the WCB to encourage accident prevention.

The rate setting process ensures assessments paid by employers are not only fair but also helps encourage workplace safety and effective disability management. Employers now have an added incentive to reduce their WCB costs with safer workplaces and fewer accidents.

A number of changes were made to the rate setting process for 2001 to link each employer's accident experience more closely to the assessment rate paid to the WCB. Firms with low claim costs paid lower rates, while those with higher claim costs were charged more for their WCB coverage. Good safety records paid off for 83 percent of employers whose rates went down, while the remaining 17 percent received rate increases due to the number and severity of claims in their workplaces.

During 2001, further enhancements were made to the Rate Model to calculate the rates for 2002. New risk categories were added which will move companies more quickly to the assessment rate that will reflect their overall accident experience. This rate directly reflects the employer's claim costs to the WCB.

To help employers better understand the link between their accident experience and the assessments they pay to the WCB, the Board has implemented a "scorecard" pilot project. The scorecard shows an employer's claim costs for the past five years and predicts what the claim costs and WCB assessments are likely to be in the next five years under various accident reduction scenarios. The scorecard draws employers' attention to the need for additional prevention and disability management measures in their workplaces.

One of the tools used to promote safety are industry safety associations. They have had a positive effect on the prevention of accidents in the Province. They promote workplace safety and provide training to workers so that injuries can be prevented.

The Manitoba Heavy Construction Association, Prairie Implements Manufacturers, Winnipeg Construction Association and Manitoba Restaurant Association have formed safety associations. They are funded entirely by the employers in their industries at no cost to the public or the taxpayer.

"Over the last five to seven years there has been a reduction of about thirty percent in time loss claims in the heavy construction sector.

We've seen a changing culture in the industry over the last ten years to one which accepts and recognizes the importance of safety, health and environment training."

Chris Lorenc
President,
Manitoba Heavy Construction Association

RETURNING INJURED WORKERS TO HEALTH AND EMPLOYMENT SOONER

Case management – *improving service and reducing the impact of workplace injuries and illnesses*

WCB stakeholders have called the new Case Management Model, which became fully operational in October 2000, a major service improvement.

Under the new model, services were aligned along industry sectors, and a focus was placed on disability management and the creation of a teamwork culture. Three industry-based case management sectors were developed and staff in initial claim adjudication have been aligned with these sectors. As well, increased focus was placed on client education and information to promote early return to work. These efforts include management of health care treatment, maintaining a workforce connection and, in some cases, providing vocational rehabilitation and employment services.

Objectives of the new model include:

- quicker service through reduced transfers of files between staff
- better service through increased continuity of services for injured workers
- more responsive service through enhanced accountability
- better results through strengthened partnerships with employers, injured workers and their associations
- continual improvement
- increased customer satisfaction.

The new model provides:

- better continuity of service by providing one WCB contact for injured workers and special "client teams" for employers
- more timely management of necessary services
- streamlined processes to reduce delays.

With the new model, as soon as a claim is accepted, the claims management team can ensure wage loss benefits and treatment plans are organized concurrently rather than sequentially. The WCB's experience is that when workers are quickly assessed and treated, they return to work sooner.

"I cut off my thumb while using a circular saw and really thought my career was over. Three days after my injury, I received a partial cheque. The only thing I had to worry about was getting better. I really felt like people at the WCB were working for me."

Mike Staniul
Concrete Worker

"I think any service enhancements that allow WCB to become involved in an injury claim quicker will improve the process for everyone."

Ken Krochenski
Vice-President – Operations,
Peak of the Market

"At our office, we view the electronic transfer of reports and documents as a positive advancement. Expediting and improving communications will enhance the quality of patient care."

Dr. Clark Podaima
Chiropractor,
Red River Chiropractic Centre

"I think speeding up the reporting process through the Claim Information Centre is a step in the right direction... it will help injured workers get their lives back on track quicker."

David Tesarski
Sales Representative,
Lafarge Concrete

PROVIDING SUPERIOR SERVICE AND VALUE TO EMPLOYERS AND WORKERS

Changes to the way claims are reported are intended to significantly reduce the amount of time it takes for the WCB to learn about a workplace accident. With improvements to claim reporting well under way, efforts are now being turned to improving adjudication and payment processes. Detailed analysis of the existing process, customer consultation and the search for best practices will be completed in the first quarter of 2002.

Facts by Fax highly effective

The Facts by Fax campaign, which encourages health care providers to fax rather than mail reports to the WCB, has been well received. In October 1998, only two percent of health care reports were faxed to the WCB. As of December 2001, more than 90 percent of initial health care reports were received by fax. A by-product of this new service is that subsequent medical reports are received sooner, reducing payment delays for claimants.

Claim Information Centre to improve service

The WCB Claim Information Centre (CIC) went live on May 22, 2001, supporting efforts to reduce the number of days it takes the WCB to learn about workplace accidents while dramatically improving customer service. The CIC enables workers and employers to report accidents or injuries over the phone—making timely reporting easier. It also helps the WCB start a claim sooner, ensuring that the worker receives benefits and services sooner. Since the CIC has been established, the number of reports from workers taken over the phone has increased from 2 percent in October 2000 to 32 percent in December 2001.

The CIC is staffed by 11 Claim Information Representatives who are able to create claims from information received over the phone, by fax or by mail. CIC staff use a newly developed computer system to capture information and create files. Under this new system, claimants are provided with their claim number, the name and phone number of the adjudicator handling the claim and answers to their questions. As well, the CIC is open extended hours from 8:00 am to 7:00 pm Monday to Friday, making it easier for workers to report accidents.

The CIC is a crucial component in the WCB's goal to reduce the amount of time it takes to hear of an accident from 10 days to 2 days for 95 percent of claims.

COMPLINK

Public awareness campaign

"If you're hurt at work, we're here to help". This is the theme of CompLink, the WCB service brand, and it refers to all the public awareness efforts undertaken in 2001 in tandem with the launch of the CIC in May. Each employer was sent a tool kit with information on the new claims reporting process. Bus back, transit shelter and billboard advertising were used to inform and encourage workers to call in their workplace accidents. The goal is to expedite claims processing and to encourage workers and employers to report an accident as soon as it occurs.

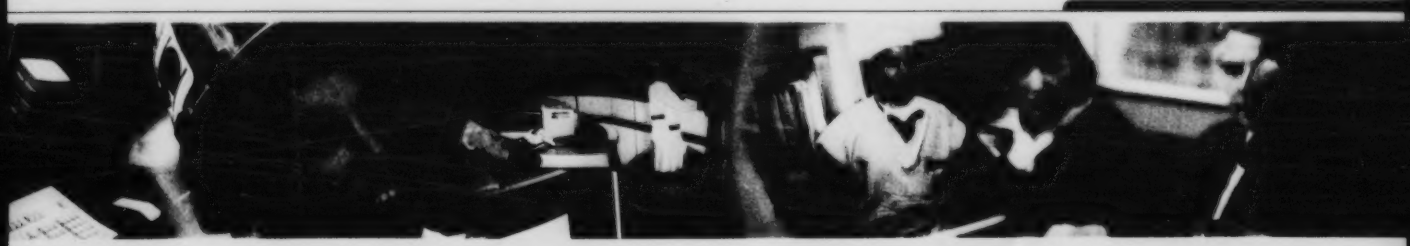
Employer reporting online

The WCB rolled out its online accident reporting system pilot project in December 2001, allowing selected employers to report accidents to the WCB via the Internet. The new system is expected to reduce the number of days it takes the WCB to learn about workplace accidents while improving customer service.

The online accident reporting system is a secure Internet application that provides employers with immediate access to WCB Accident Report forms, 24 hours a day seven days a week. The forms are completely electronic, easy to use and "smart", the employer fills out the information onscreen, and the form changes according to the answers.

The new process also speeds up employer notification of accidents. When the WCB hears about an accident from an injured worker or a health care provider, an accident report is opened for the employer. At the same time, the WCB notifies the employer about the accident by e-mail. This allows employers to monitor the situation so they can fill out the rest of the form and ensure the accuracy of the information.

The initial phase of the project has targeted the top 250 employers by their claims volume. This group accounts for over 60 percent of all WCB accident claims. This phase went live in January 2002.



Regional services

In 2001, the Board of Directors approved a pilot project for a regional office to be located in Thompson. This office will serve Thompson and the surrounding area as well as Gillam, Leaf Rapids, Lynn Lake, Wabowden and Churchill.

Services provided at the regional office will include adjudication, payments and case management. Benefit cheques will be issued locally. Partnerships will be sought in the community to provide employment/vocational rehabilitation services and health care. The WCB will co-ordinate its efforts with Workplace Safety & Health officers in Thompson to assist employers to improve their claims experience and reduce workplace accidents and illnesses.

Faster clearances for employers

In 2001, initial work was done on the clearance process used by contractors to confirm WCB coverage of sub-contractors. Redesign options were considered for these processes to eliminate the current one to three week time frame necessary for WCB staff to produce a clearance.

General contractors can access the service to determine the status of their sub-contractors before the start of a job and before final payment is made. If a general contractor does not check the status of sub-contractors or the sub-contractor is not registered with the WCB, then the general contractor may be liable for the assessment on the labour portion of the contract.

The WCB receives approximately 6,000 requests for clearances annually. Over the course of a year, WCB staff will perform up to 25,000 searches of WCB databases to verify that sub-contractors are registered and are in good standing. The redesigned clearance services will provide contractors with self-service, real-time access and notification to verify the status of a company or person they wish to hire.

The new clearance services are expected to be available by April 2002.

INCREASING CAPACITY TO IMPROVE

Continuous improvements

Over the past year, the WCB has continued to invest in people, processes and technology to provide the foundation for continuous improvement. Project management skills and discipline have been enhanced, a technology roadmap for infrastructure changes has been defined and the capacity to provide Internet-based solutions has been developed.

With improvements in claims reporting well underway, efforts are now being turned to improving adjudicative and payment processes. The review of these processes began in September 2001 and will continue in 2002 with extensive customer consultation, searches for best practices and development of improved service delivery options.

Financial position

For 2001, employers in Manitoba paid an average assessment rate of $1.49 per $100 of assessable payroll—one of the lowest workers compensation rate of the provinces in Canada. In fact, this was more than the 10th straight year that the WCB had not increased average assessment rates.

Costs were well-contained in 2001. Total reported accidents were down 6.1 percent and claim costs incurred were $7.8 million lower than in 2000.

Manitoba continues to have the lowest administrative cost per time loss claim in Canada. Keeping administrative costs down is a continuing goal for the WCB. For example, by channeling claims-related purchases through the purchasing department, the Board is able to achieve significant cost savings through the bulk purchases of products and services needed to help injured workers get back to health and work as quickly as possible.

On the revenue side, both employer assessments and investment income are major factors. Due to the negative effects of a weak financial market, the WCB's investment revenue fell by $16.3 million compared to 2000. As a consequence, the WCB experienced an operating deficit of $2.4 million in 2001 and the average assessment rate will increase 4.7 percent from $1.49 to $1.56 per $100 of assessable payroll effective July 1, 2002.

The WCB's two reserves, the Accident Fund and the Rate Stabilization Fund, protect the Board from risks such as losses on investments, increases in benefit liabilities or general business risks. The target for the Accident Fund Balance is $41.0 million. As at December 31, 2001 the balance was $20.0 million, unchanged from December 31, 2000. The target for the Rate Stabilization Fund Balance is $68.0 million. The balance of this fund at December 31, 2001 was $55.1 million, $2.4 million less than at the end of 2000, due to the 2001 operating deficit.

Human resources

Staff training and development activities are essential components to the success of WCB employees. The WCB is committed to providing a work environment that encourages continuous learning and development of staff so that they have the skills to provide excellent client service.

With that goal in mind, the WCB began work on a new Performance and Development System (P&DS) in 2001. The P&DS is a tool that will assist in optimizing individual performance and achieving organizational effectiveness.

Vista, the new Human Resources Management System at the WCB, was introduced in 2001. It integrates both human resources and payroll information and provides an in-house capability to manage the human resources function more effectively.

REPORT OF THE FAIR PRACTICES ADVOCATE 2001

The obvious unfairness of having to be without income despite being insured for income replacement rightly makes timeliness a most important priority facing the organization.

Role and mandate

The Workers Compensation Board established the Office of the Fair Practices Advocate in the tradition of the Ombudsman role to assist both injured workers and employers when they identify concerns arising out of fairness or natural justice. The Office provides a safeguard for employers and workers and gives a voice to those who feel compelled to take their complaints to an independent office.

The mandate of the Office is to hear complaints and to investigate. The Board has given the Fair Practices Advocate unfettered access to any information deemed necessary to carry out the investigation on behalf of employers or injured workers.

The Fair Practices Office is not a level of appeal. The levels of appeal are the Review Office, where the WCB will reconsider its decision, and the independent Appeal Commission. These bodies may substitute their judgement for that of the Administration. In the Ombudsman tradition, the Fair Practices Advocate is not empowered to reverse, overturn or stay a decision. The Advocate may make recommendations for correction if it is determined that an action or a decision of the WCB has been clearly wrong or unreasonable.

Process

The Fair Practices Office has designed its process to allow for easy access for employers and injured workers. Experience has demonstrated that most complainants welcome using the telephone to make complaints and the informality this allows. Staff record all relevant information on intake and an investigation is conducted. Whatever the outcome, feedback is provided to the complainant on all issues that have been raised.

If the issue raised is determined to have merit, it is discussed with management staff. In addition to providing an opportunity for resolution of the current issue, this approach allows management to combine this information with other management information available to them and identify the need for remedial or systemic action.

While the purpose of the Fair Practices Office is to receive and investigate complaints, the hard work of dedicated staff on behalf of injured workers and employers is commonly observed during the investigation process. Co-operation with the Office is a further indication of this dedication to quality service.

Whatever the outcome of the complaint, callers to the Fair Practices Office provide a perspective that assists the WCB to examine itself and improve service to its clients. There are a number of positive effects that arise from the complaint process:

- It can create a degree of empowerment and satisfaction for the complainant
- It can contribute to the creation of an introspective, learning organization that constantly evaluates its service through the eyes of those it serves
- It can afford the organization the opportunity to correct a situation without requiring the complainant to go through a lengthy appeal process
- It can help staff to assess situations that have created a problem for the complainant and learn from the experience
- It can help line staff and management identify training needs
- It can allow the organization to identify possible problem areas and, if indicated, further examine them through its other quality assurance mechanisms
- It can allow the organization to analyze the trends in the complaint numbers and compare the result to trends in its own statistical measures.

Enquiries by Type 1999 – 2001

YEAR	2001 TOTAL	2000 TOTAL	1999 TOTAL
Communication*	136 (17.1%)	140 (17.3%)	122 (14.4%)
Disagreements with Decisions**	266 (33.3%)	221 (27.4%)	303 (35.7%)
Timeliness***	185 (23.2%)	229 (28.3%)	204 (24.1%)
Information****	211 (26.4%)	218 (27.0%)	219 (25.8%)
TOTAL	**798**	**808**	**848**

Category descriptions:

* *Communication issues deal with complaints where claimants feel they are not getting the information they need when they need it or in a way they understand it. Included are instances where claimants felt the tone of comments made by staff were inappropriate or disrespectful.*

** *This category captures all complaints where there is a disagreement related to claims management, benefits entitlement or termination of benefits.*

*** *This category describes issues where claimants waited longer than they thought appropriate. Typical are situations in which claimants may have waited for adjudication to be completed, benefit cheques, medical aid expense payments or medical aid authorization.*

**** *This category described situations where a claimant or an employer is seeking information on legislation, board policy and procedure or claim status.*

An issue that warrants further discussion is timeliness. The obvious unfairness of having to be without income despite being insured for income replacement rightly makes timeliness a most important priority facing the organization. In addition to the unfairness of delay, research supports the contention that long-term and chronic disability can result from the way a claim is handled in its early days. If an injured worker is treated disrespectfully or with mistrust or has to wait an inordinate time for the acceptance of his/her claim, the likelihood of future difficulty in recovery can be increased.

It is not possible to overstate the importance of timely and respectful service.

It is encouraging to note that the number of complaints arising from timeliness concerns have been trending somewhat downwards over the past few years.

It is also encouraging to observe that the Workers Compensation Board is devoting considerable resources to analyzing the factors that contribute to delays with plans to introduce measures to address these factors. Employers and injured workers alike will be well served if the WCB is able to make significant inroads into this long-standing problem.

Financial Report

2001 ANNUAL REPORT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Workers Compensation Board of Manitoba were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada. Financial information contained elsewhere in the annual report conforms to these financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded. The Internal Auditor performs periodic audits designed to test the adequacy and consistency of the Board's internal controls.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting responsibilities and has approved the financial statements and other financial information included in the annual report.

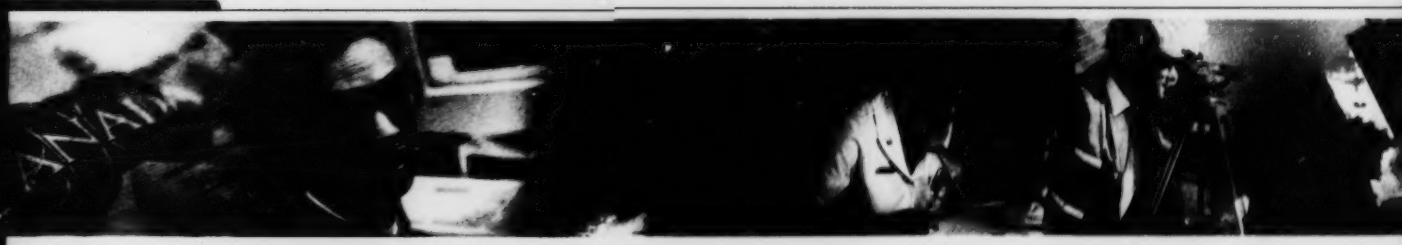
The Board of Directors is assisted in its responsibilities by the Finance Committee. This committee reviews and recommends approval of the financial statements, budgets and annual reports. The Finance Committee meets periodically with management, internal and external auditors and actuaries concerning internal controls and all other matters relating to financial reporting.

The firm of William M. Mercer Limited has been appointed as the independent consulting actuary to the Board. Their role is to complete an independent review of the actuarial valuation of the benefit liabilities included in the financial statements of the Board and to report thereon in accordance with accepted actuarial practices.

PricewaterhouseCoopers, the external auditors of the Board, have performed an independent audit of the financial statements of the Board in accordance with Canadian generally accepted auditing standards. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.

Doug Sexsmith
President & CEO

Alfred Black
Vice President,
Financial & Employer Services



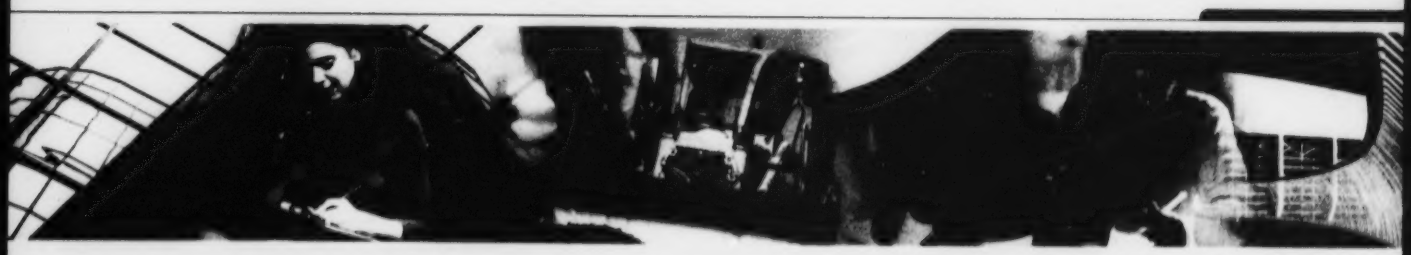
2001 MANAGEMENT DISCUSSION AND ANALYSIS

As an integral part of the Annual Report, the Management Discussion and Analysis provides further insights into the operations and financial position of the Board.

The Workers Compensation Board operates under the authority of *The Workers Compensation Act*. The Board is responsible, in accordance with the provisions of the Act, for administering the payment of benefits to injured workers and for levying and collecting assessment revenues in an amount sufficient to cover the current and future costs of workplace injuries. The Board obtains its revenues from (i) premiums charged to Class E (general body) employers based on assessable payrolls; (ii) assessments from self-insured employers; and (iii) income from its investment portfolio.

The Board receives no funding from the Government of Manitoba. It provides funding to the government to cover 95% of the costs of operating the Workplace Safety & Health Division and 100% of the Worker Advisor Office.

The WCB insures approximately 70% of the workers in Manitoba, employed by approximately 24,000 registered employers.



2001 FINANCIAL HIGHLIGHTS

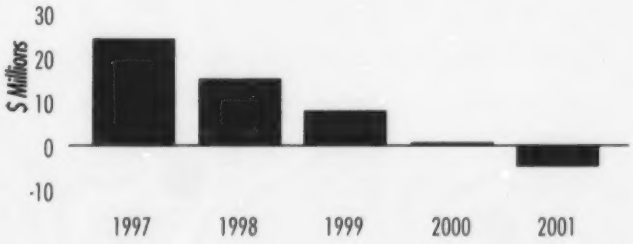
Results of Operations

2001 was a turbulent year in many respects. The challenges of a bear market for equity investments and recession-like conditions in the economy affected the WCB, as it did many other businesses. While these setbacks resulted in a decline of more than $16.0 million in investment income, the Board's control of claim costs helped hold the operating deficit to a moderate shortfall of $2.4 million. This deficit was charged to the Rate Stabilization Fund to lessen upward pressure on premium rates.

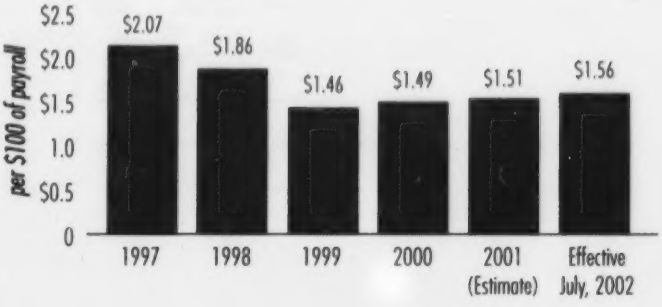
Despite an increase in premium revenue, the drop in investment income caused total revenue to fall by 4.4% in 2001. Assessment revenue for Class E (general body) employers rose by 5.4% due to increases in assessable payrolls and a slightly higher average premium rate. The Board had budgeted to maintain the 2001 average assessment rate at $1.49 per $100 of assessable payroll after three successive years of rate decreases totaling 33% and more than ten years without a rate increase. As employers with higher than average rates experienced more growth than low rate employers, the estimated year-end average rate was inflated to $1.51, generating additional revenue of $1.6 million.

Total investment income was $54.1 million, 23% lower than 2000's total of $70.4 million. Equity markets throughout the world turned in lackluster performances in 2001. The Board was able to mitigate the poor equity results as a result of its balanced portfolio; Canadian bonds produced a return of over 8% for the year. Investment income was also stabilized by the use of the Board's 60 month smoothing policy for recognition of capital market gains and losses.

Operating Surplus



Average Assessment Rate



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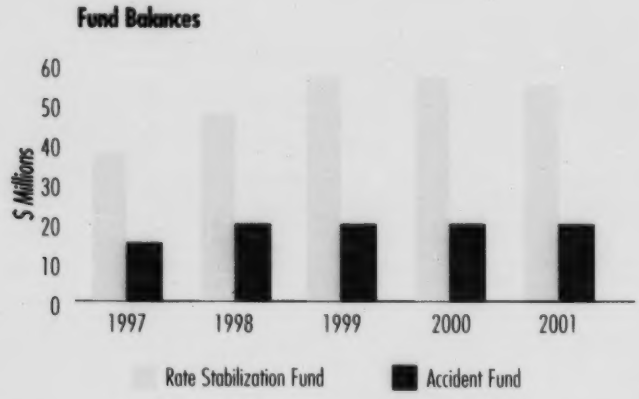
Total claim costs incurred for 2001 were $149.7 million, $7.8 million (4.9%) less than in 2000. The reduction would have been even greater except that included in the 2001 balance was an increase of $3.2 million for the cost of an amendment to the Post Accident Earning policy area which will provide enhanced benefits for injured workers.

Operating expenses grew by 5.5% over the previous year, primarily due to additional staff resources in the case management area in order to reduce average caseloads and provide faster responses to injury claims. The increase also reflects contractual wage increases. In addition, the Board provided higher funding to Workplace Safety & Health to add more safety inspectors.

The operating results for 2001 and 2000 may also be attributed to certain actuarial factors as follows:

($000's)	2001	2000	Change	
Premium revenue plus investment income up to the actuarial discount rate, minus the current year expenses	$21,958	$1,761	$20,197	1,147%
Investment income in excess of the actuarial discount rate	3,500	21,300	(17,800)	(84%)
Higher actuarial liabilities than previously anticipated	(27,900)	(22,600)	(5,300)	(23%)
Operating surplus (deficit)	(2,442)	461	(2,903)	(630%)



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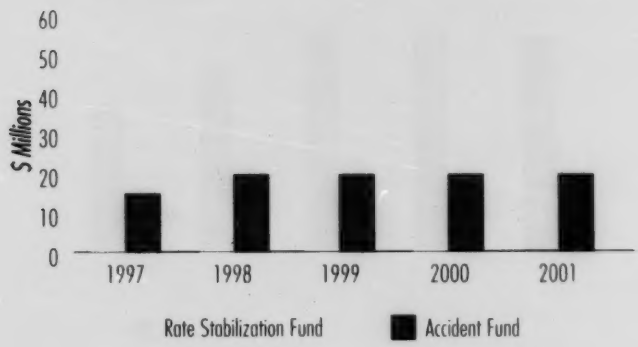
Fund Balances



BALANCE SHEET

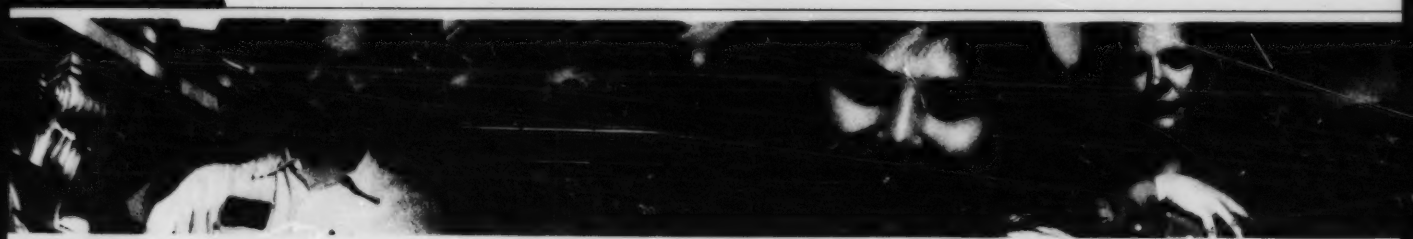
Assets

Cash

As the cash flow from premium revenue is not sufficient to fund operations, the Board has a heavy reliance on the returns generated by the investment portfolio. As periodic withdrawals are made from the investment portfolio to buttress operational cash flows, the Board's cash balances are maintained at a minimum level. The Board has also arranged credit facilities with both its main banker and the Treasury Division of the Province of Manitoba to provide short-term loans to smooth out cash flow peaks and valleys. Aggregate borrowings during 2001 were $35.0 million (2000, $10.5 million), and all loans were repaid before year-end.

Receivables

The vast majority of receivables relate to monies owed by employers for 2001 premiums. The balances outstanding are comparable to 2000 year-end balances.



Investments

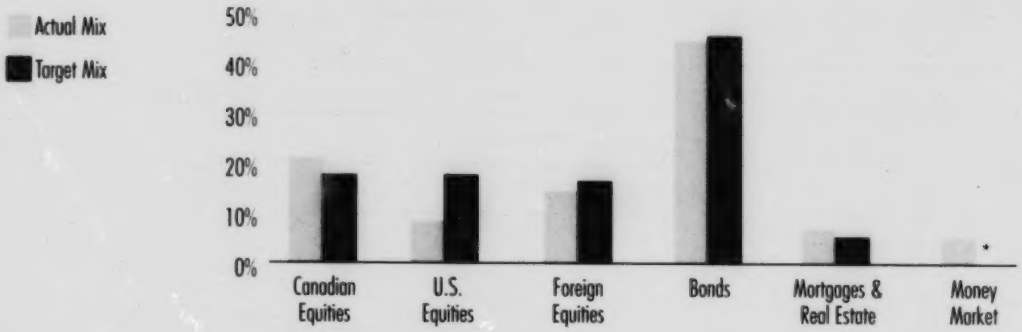
The investment targets set by the Investment Committee for the investment portfolio were:

- A minimum annual real rate of return of 4.0%
- Second quartile investment performance compared to like funds over a four year period
- Specific results by asset class, as follows:

Canadian equities	TSE 300
U.S. equities	S&P 500
Europe, Australia & Far East equities	EAFE Index
Emerging market equities	Morgan Stanley Emerging Markets Index
Bonds	Scotia Capital Universe
Mortgages	Scotia Capital Mortgage Index
Real estate	Morguard Property Index
Money market	Scotia McLeod 91 day T-Bill Index

The Board's investment portfolio is diversified among a variety of asset classes in order to optimize returns and minimize risks. The 2001 targeted asset mix as defined by the Investment Policy and the actual asset mix based on market values at December 31, 2001 were as follows:

2001 Target Asset Mix and Actual Asset Mix



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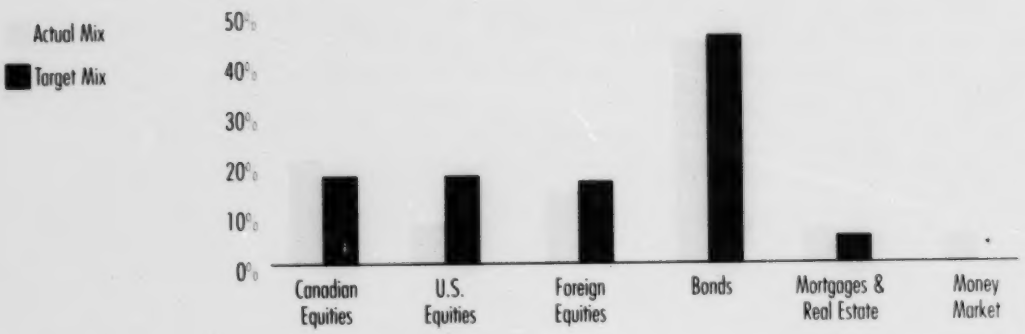

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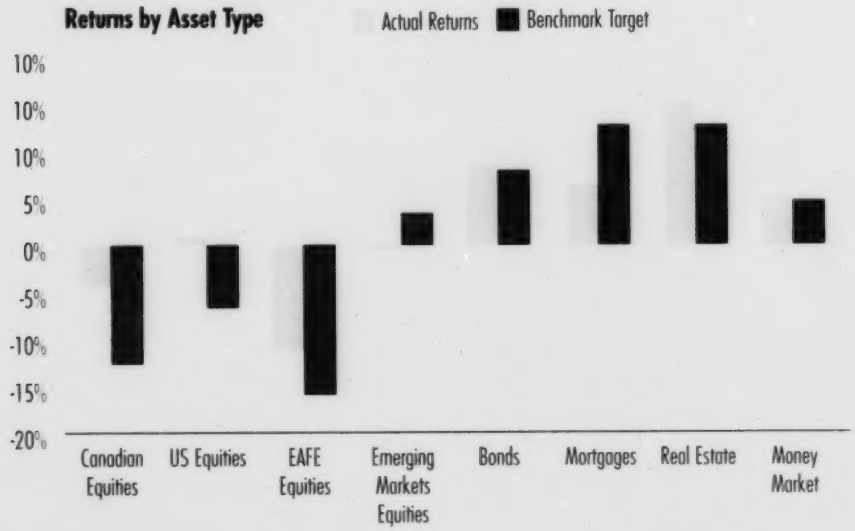
The market value of the Board's investments was hurt by the poor equity returns in Canada and around the world. Fortunately, above average returns in the bond and real estate components of the portfolio helped to ensure overall market returns were positive at 1.9% (2000, 8.1%). Note 5 to the Financial Statements indicates that the market value of the Board's investment portfolio has decreased since 2000 by $35.7 million (4.6%) to $744.3 million, as $48.5 million in redemptions to fund Board operations exceeded market returns of just under $13.0 million.

The actual returns (on a market basis) can be seen on the following graph:



All of the major asset classes exceeded their relevant benchmarks, with significant positive returns achieved in the fixed income and real estate classes. While the overall equity market returns were negative 6.6%, the Canadian, U.S. and EAFE equity holdings outperformed their respective stock market indices.

This year's performance represents a real rate of return of 1.7% above the 0.2% change in Manitoba CPI from December 2000 to December 2001. At the same time, it failed to exceed both the Investment Policy target of a 4% real return and the actuarial expectation of a 7% market return.

	1997	1998	1999	2000	2001
Market rate of return	12.5%	8.0%	8.9%	8.1%	1.9%
Consumer Price Index	0.7%	2.0%	2.3%	2.9%	0.2%
Target – Consumer Price Index + premium (3.5% to 1999; 4.0% effective 2000)	4.2%	5.5%	5.8%	6.9%	4.2%
Earnings in excess (deficit) of policy target	8.3%	2.5%	3.1%	1.2%	(2.3%)

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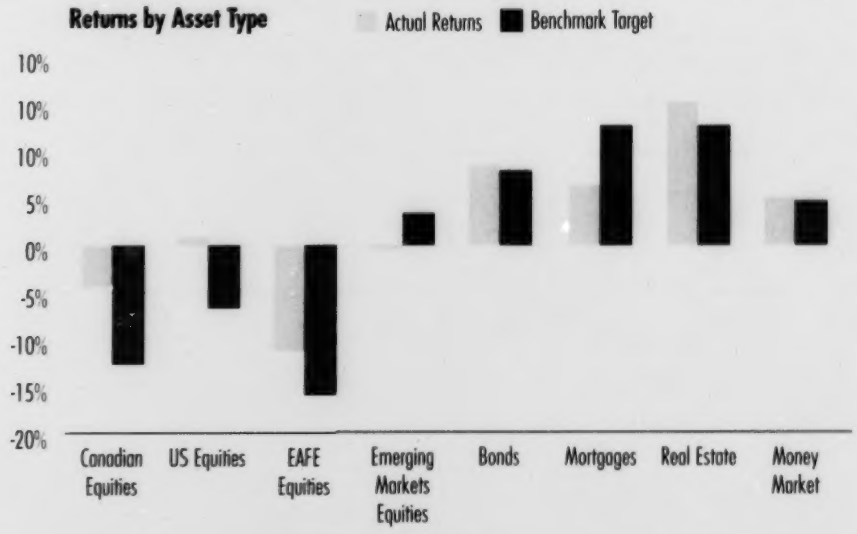

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For financial statement purposes, the net book value of the Board's investment portfolio reflects the partial deferral of realized and unrealized market gains and losses. These gains and losses are amortized to income over 60 months, consistent with Life and Long-Term Disability insurance industry practices, in order to smooth investment returns. Despite the downturn in the equity portion of the Board's investments and the withdrawal of $48.5 million from the portfolio to fund operations, the net book value of the portfolio still grew to $712.0 million, an increase of $8.0 million (1.2%) over 2000. Investment returns on a book value basis were 7.9% (2000, 10.8%), a rate in excess of the actuarial requirement for the benefit liability valuation.

Deferred Assessments

Under the provisions of *The Workers Compensation Act*, self-insured employers are entitled to defer payment of some future costs. In effect, these employers enjoy full pay-as-you-go status. In return for this status, the Act obligates the Government to honour these commitments or requires the participating self-insurers to provide guarantees or securities satisfactory to the Board. The deferred assessment amount parallels accumulated future costs of claims. The account balance decreased by $2.5 million during 2001 as a result of experience gains for the future costs of claims from prior years.

Capital Assets

Additions to capital assets during 2001 totalled $3.2 million and were primarily concentrated in the (i) upgrading of information technology equipment and software, and (ii) system development activities. The system development projects included:

- Phase II of the new Rate Assessment Model to enhance the calculation of employer rates to encourage safer work environments
- Implementation of the new Human Resource Management System
- Redesign of the Receive and Register claims process to provide better service by making the process faster (faxing) and easier (new Claim Information Centre) for reporting claims
- Development of infrastructure necessary to deliver in a web-enabled environment applications such as Receive and Register claims (online accident reporting)
- A Case Management Assistant software program designed to assist case management in a more proactive and efficient handling of claims.

There were no significant capital asset disposals during 2001.

Net book value at the end of 2001 was slightly lower than at the end of 2000 as amortization of capital expenditures exceeded capital acquisitions by approximately $0.6 million. Amortization expense for 2001 was $3.8 million (2000, $3.4 million), a level considered normal in relation to the capital expenditures.

Liabilities and Fund Balances

Payables and Accrued Liabilities

The principal items recorded here are accounts payable, accrued liabilities, obligations for employment benefits for staff, funds held for claimant annuities, deposits from self-insured employers, and grant commitments under the Community Initiatives and Research Program. Total payables have increased to $12.9 million, up 6.8% over 2000, due to the significant growth in the balance for the claimant annuity program. The annuity program was set up to assist claimants whose employer is not contributing on their behalf to a company pension plan while the employee is receiving wage loss benefits. The Board contributes up to 5% of the claimant's benefits and the claimant is given the option to match this contribution. The annuity balance accumulates interest until the claimant reaches retirement. The balance in this account has grown to $4.3 million (2000, $3.3 million) and is expected to triple over the next decade.

Benefit Liabilities

The growth in benefit liabilities, 21% over the previous four years, abated in 2001 with an increase of only 1.2% over 2000. Reductions in claim counts offset higher average costs per claim leaving the combined provision for future payments for the short term and long term disability and survivor benefits categories virtually unchanged. The only significant growth in future costs was due to rising costs for health care benefits. Further details of the components of benefit liabilities are shown in Note 9 to the Financial Statements.

Rate Stabilization Fund Balance

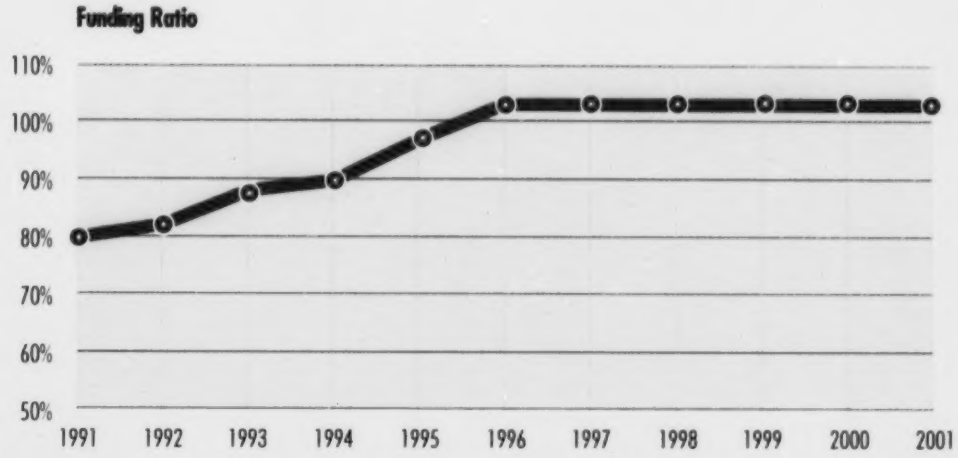
The Rate Stabilization Fund Balance fell to $55.1 million as the 2001 operating deficit of $2.4 million was charged to the fund. The fund's target balance is based on an adapted formula—the Minimum Continuing Capital and Surplus Requirements—from the Office of the Superintendent for Financial Institutions, Canada (OSFI). The use of this formula allows the fund balance target to move in tandem with changes in the size of the Board's assets and liabilities, thereby reducing risk to the organization. Based on this formula, the fund's target balance at the end of 2001 was $68 million, $13 million more than the actual balance.

Accident Fund Balance

The Accident Fund Balance was unchanged at $20.0 million as the entire operating deficit was allocated to the Rate Stabilization Fund Balance. Like the Rate Stabilization Fund Balance, a modified OSFI formula is used to establish a target balance for the Accident Fund Balance from year to year. This floating target is responsive to changes in general business risks as it is based in part on premium and claims volumes. The target balance for the Accident Fund at the end of 2001 was $41 million.

Summary

The Board now has liabilities totalling $696 million and a Rate Stabilization Fund Balance of $55 million, which are covered by assets totalling $771 million. This means that the Board's funding ratio, using the Association of Workers Compensation Boards of Canada (AWCBC) definition, remained stable in 2001 at 102.7%. When the Rate Stabilization Fund Balance is grouped with the Accident Fund Balance, instead of with liabilities, the Board's funding ratio was 110.8% at December 31, 2001, down slightly from one year earlier (111.3%). This means the Board's total reserves are equal to almost 11% of its liabilities, short of the target level of 15.8%. Nonetheless, the Board continues to have a comfortably strong balance sheet.



Funding ratio using AWCBC definition

The Board's fiscal health has improved tremendously over the last 13 years as the unfunded liability balance, which hit $232 million by the end of 1988, has been eliminated and replaced with fund balances totalling over $75 million today. This has allowed the Board to significantly reduce average assessment rates. For 2002, the Manitoba average rate is the lowest of all the provinces, even after the announced increase in rates effective July 1, 2002. This strong financial position also permitted the Board of Directors to approve various administrative policy changes in 2000 and 2001 that will improve benefits for claimants.

The WCB is now in a period of relative stability, which means the rapid growth in assets and liabilities over the last decade has largely abated. This is reflected in the Five Year Plan which is published in conjunction with this Annual Report.

STATEMENT OF OPERATIONS

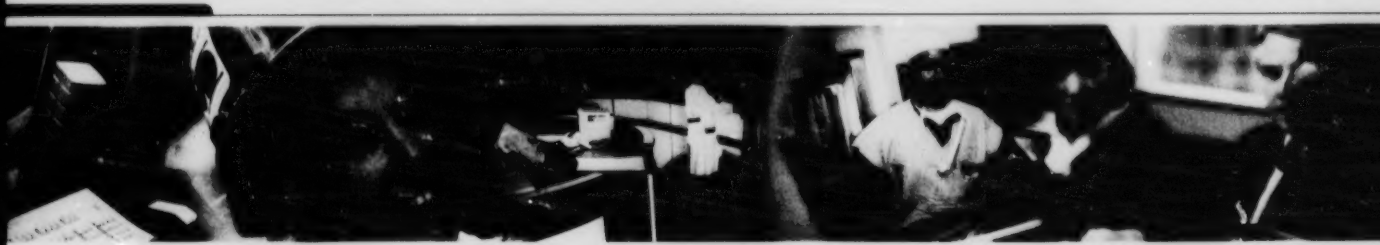
Revenue

Total revenue shrank by $9.2 million (4.4%) from 2000, as the decline in investment returns completely offset the growth in premium revenue resulting from higher assessable payrolls.

Premiums

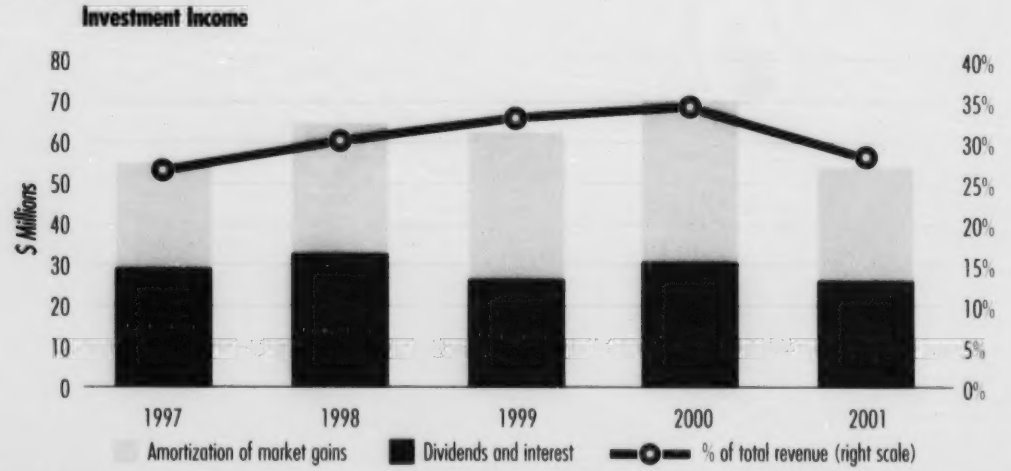
During 2001, premium revenue climbed by over $7.0 million (5.2%)—results similar to 2000—after three consecutive years of declining revenue due to premium rate reductions. A combination of factors influenced this increase, including:

- The Board set its rates to achieve an average rate of $1.49 for both 2001 and 2000 based on budgeted assessable payroll levels by industry. Final results for 2000 show an average rate of slightly less than $1.49. Preliminary estimates for 2001 indicate changing payroll levels in various industries produced an average assessment rate of approximately $1.51, resulting in higher revenues in 2001
- While Manitoba economic growth slowed in 2001 in recession-like conditions, employment did rise by 0.6% and aggregate assessable payrolls by 3.8%
- Self-insured employers experienced a modest $0.7 million increase in direct assessments as a result of funding pension indexation for prior year claims.



Investment Income

The Board's investment portfolio is diversified for asset classes, geographic regions and management styles. As such, the contribution of investment income to the Board's revenues had increased quite substantially from 1995 to 2000. The bear market for global equities in 2001 ended the streak of ever-higher percentage contributions at six years.



Following a five-year period of significant growth in investment income (up 106% over 5 years) and in the book value of the portfolio's balance (45% increase from 1995 to 2000), investment income suffered a decline in 2001. Investment income fell $16.3 million (23%) from 2000 and now contributes just over 27% of total revenue, compared to 34% in 2000.

The significant impact of investment revenue on the rates paid by employers is revealed by the following graph:

Note that recorded investment income reflects the Board's accounting policies with respect to deferral and amortization of both realized and unrealized gains within the portfolio.

Expenses

Claim Costs Incurred

Claim costs incurred are as follows:

($000s)	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care Benefits	Rehabilitation Services	Total
2001	$44,690	$51,205	$12,697	$36,480	$4,657	$149,729
2000	55,080	51,941	9,514	41,820	(853)	157,502
Increase (decrease)	($10,390)	$(736)	$3,183	$(5,340)	$5,510	$(7,773)

Claim costs are an estimate of the full costs for compensable injuries that occurred in 2001, together with adjustments to prior years' estimates. These estimates take into account (i) claims that are in pay, (ii) reported but as yet unpaid claims, and (iii) unreported claims.

The 2001 estimated liability for unreported claims include a liability for injuries with long latency periods, primarily occupational diseases and cumulative trauma disorders. This liability is recorded at $60.4 million, unchanged from 2000, and is pro-rated between the general body of employers (Class E) and self-insured employers. The inclusion of the liability for the expected costs for long latency injuries is consistent with the Board's funding policy to use a "level" funding standard (i.e. an allowance is set aside as these injuries are developing).

As necessary, the Board engages its external consulting actuary to conduct a review of the actuarial models used to prepare the valuation of the benefit liability balance. In 2000, a major review was undertaken and a number of modifications were made. This included an update of various factors and tables utilized in calculating the amount of the benefit liability for the Board's claimants. As a result of this review, a net gain of $3.6 million was recorded in 2000 (0.5% of the total benefit liability) in the following categories:

	Gain (loss) (in millions)
i) Long-term disability impairment awards	$ (9.0)
ii) Survivor benefits	5.2
iii) Health care benefits	(5.5)
iv) Rehabilitation service providers	6.6
v) Changes in administration expense percentages and other	6.3
	$ 3.6

There were no significant actuarial adjustments in 2001.

Total claim costs incurred in 2001 decreased by $7.8 million (4.9%) to $149.7 million. The 2001 total is divided into costs incurred for the current year ($103.8 million) and prior years ($45.9 million). Costs incurred for prior years are adjustments to the actuarial estimates made in previous years and include the interest cost of discounted future cash flows and any pension surpluses that are achieved.

An analysis of claim costs incurred by category follows:

- Short-term disability claim costs incurred, i.e. wage loss compensation for claims that have yet to medically plateau or stabilize, were 19% less than in 2000. This is explained by three factors:
  - i) the lower number of accepted time loss claims in 2001 (down 6.4%), reducing claims payments during the year
  - ii) inflationary increases in claim costs per day (up 3%), which reflected increases in the average industrial wage for Manitoba
  - iii) a $5 million reduction in the liability for future costs as there were fewer active claims in pay at the end of 2001 compared to 2000. This reflects both the lower volume of new accidents and the operation of the Case Management Model

- The long-term disability claim costs combine three different components, namely wage loss payments (made as part of rehabilitation programming), permanent impairment costs and the long latency provision. The cost of long-term disability claims remained fairly constant at roughly $51.0 million, reflecting:
  - i) rehabilitation wage loss costs which rose by $13.0 million in 2001. The volume of active claims continues to grow each year as new claimants are added to the long-term wage loss roles. This pattern of increases is expected to continue for a number of years
  - ii) a $4.7 million decrease in the liability for impairment awards
  - iii) the 2000 expense total for impairment awards included a charge of $9.0 million for one-time changes in the actuarial cost model
  - iv) the unchanged balance in the liability for long latent occupational diseases

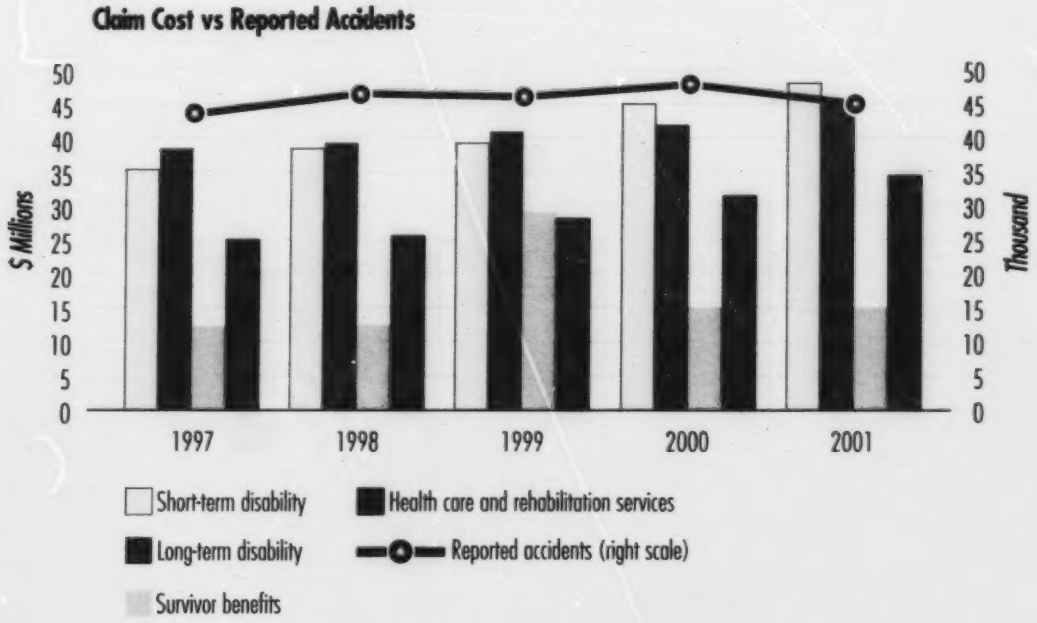
- The 2001 claim costs for survivor benefits were $3.2 million higher than the previous year as 2000 costs included a $5.2 million credit resulting from a modification in the methodologies used by the actuaries to calculate the pension costs. The credit for lower than expected indexation costs in 2001 was only $2.5 million, precipitating the net increase. Otherwise survivor benefits for 2001 were fairly stable

- After discounting the one-time charge taken in 2000 for the $5.5 million adjustment to the actuarial model for medical aid benefits to reflect a longer expected payment tail in the future, health care benefit costs remained stable from 2000 to 2001. Inflationary increases in health care services were offset by the reduction in the number of claims drawing health care benefits

- Like the survivor benefits and health care components, much of the change in rehabilitation services is due to a one-time adjustment in the 2000 cost balance. After adjusting for the gain of $6.6 million recorded in 2000 due to the revised methodology used by the actuaries to calculate the future cost of this category, the net year-over-year change is a reduction of $1.1 million. This reflects lower third party service provider expenditures because of lower cost estimates.

The amount of *claim payments* made in 2001 climbed to $141.7 million from $132.9 million in 2000, a change of 6.6%. The higher payments arose as wage loss and health care payments during the year were up $6.8 million, while pension payments were higher by $0.9 million. Both of these increases were driven by inflation. The Board also offered lump-sum settlements to claimants who were receiving small monthly pension payments. Overall settlements totalled $2.2 million in 2001 compared to $1.1 million a year earlier.

The following chart illustrates the five year trend in the major payment categories and the relationship to reported accidents.



Administration Expenses

Administration expenses totalled $39.6 million in 2001, which is an increase of $1.9 million (5.1%) over 2000. Staffing costs increased by 10% while professional fees had a 40% reduction. In more detail:

- Increases in salaries, benefits and training expenses totalled $2.6 million, largely driven by a service initiative to reduce caseloads and provide faster adjudication responses to new claims. Staff levels grew by six positions to a total of 469 permanent full-time positions at the end of 2001. This includes the reclassification of 30 full-time positions from term to permanent status
- Overall information technology service costs fell as cost savings were realized following the renegotiation of a major service provider contract in the fall of 2000
- Professional fees have declined for the second straight year as a result of ongoing knowledge transfers which allow the Board to rely more extensively on its staff resources instead of external consultants.

Further analysis is provided in Note 11 to the Financial Statements.

Workplace Safety & Health and Worker Advisor Office Expenses

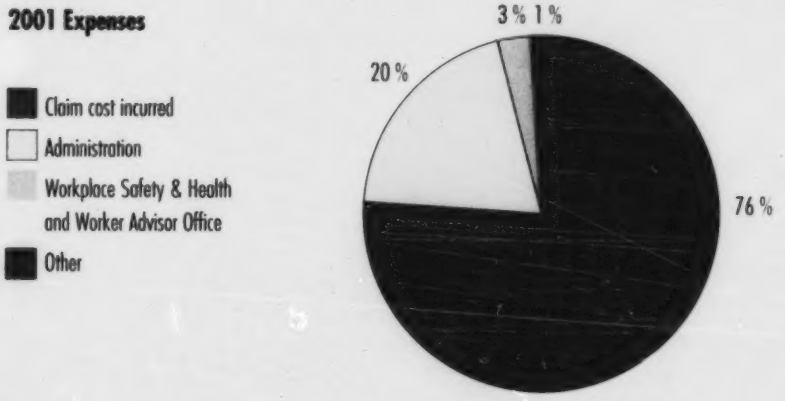
The Workers Compensation Act requires the Board to pay the Province of Manitoba for services rendered by the Workplace Safety & Health Division and the Worker Advisor Office of the Ministry of Labour and Immigration, subject to statutory provisions which limit increases in the funding grant.

In 2001, these expenses increased by $564,000 to $6.4 million to fund the hiring of additional safety officers by Workplace Safety & Health.

Community Initiatives and Research Program Grants

Ten projects totalling $1 million (2000, eight projects for $975,000) were approved for research and education purposes under a program developed by the Board of Directors in 1997. This brings the total commitment since the inception of the program to just under $5 million for 63 projects.

2001 Expenses



Operating Deficit

Although investment revenue dipped by $16.3 million, action to control costs allowed the organization to show an operating deficit of only $2.4 million relative to the operating surplus in 2000 of $461,000.

As the deficit was precipitated by investment losses, the entire operating deficit was allocated to the Board's Rate Stabilization Fund Balance, lowering the fund balance to $55.1 million.

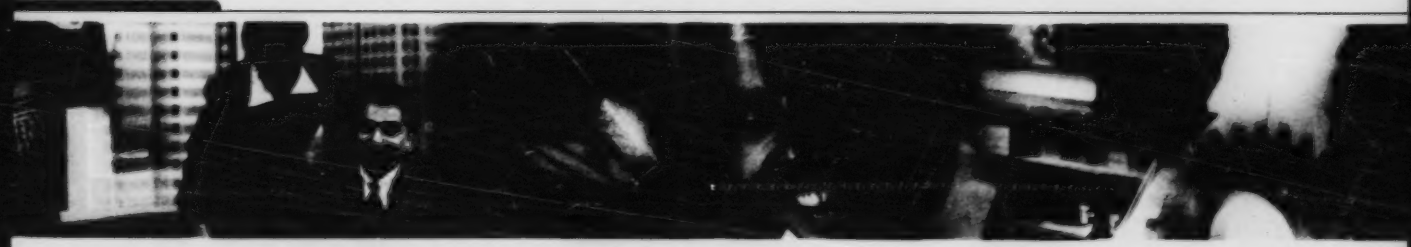
Statement of Cash Flows

During 2001, the organization had a small increase in cash of $525,000, which is comparable to the net increase in cash in 2000 of $2.7 million. This net increase consisted of $15.2 million in cash usage by operating activities offset by $15.7 million in cash provided by investing activities.

The $15.2 million used by operating activities in 2001 compares to $6.2 million of cash used by operations in the previous year. This occurred when the escalations in expenditures for claimant benefits and administrative goods and services exceeded the higher revenue generated by growth in assessable payrolls and the slightly higher average premium rate.

Cash provided by investing activities filled the gap in cash flow as the Board withdrew greater amounts from the investment portfolio in 2001.

This trend, of low cash balances and reliance on investment income to fund operations, is expected to continue in the future.



OPERATIONAL STATISTICS

The statistical figures reflect comparative preliminary year-end reporting ("r" indicates revised figures).

New Claims

The total number of new claims reported was down 6.1% compared to the prior year. The number of accepted time loss claims decreased by about 6.4%, reflecting a decreasing proportion of time loss claims.

The number of elapsed days from accident to notification decreased approximately 12% for routine claims, showcasing the impact of the Facts by Fax campaign.

An increase of 12.4% was observed in the average time from loss of earnings date to first payment for all claims. This reflects the challenges the Board faces as it strives to improve service to its stakeholders.

NEW CLAIMS	2001	2000
1. Claims Reported		
Time Loss	20,263	21,249
No Time Loss	24,056	25,924
Fatalities	42	48
Total	**44,361**	**47,221**
2. Claims Accepted or Unadjudicated		
Time Loss	18,771	20,054
No Time Loss	18,114	20,052
Fatalities	28	27
Pension	120	66
Total	**37,033**	**40,199**
3. Claims Disallowed		
Referred	55	61
No Coverage	879	991
Initially Not Accepted	1,303	1,145
Abandoned	5,091	4,825
Total	**7,328**	**7,022**
4. Covered Population (000's) (Time Loss Claim Rate)		(Note 1)
Total Covered Population	348 (5.4%)	347 (5.8%) r
Mines, Quarries and Oil Wells	4 (3.0%)	4 (3.9%) r
Manufacturing	59 (11.4%)	61 (12.7%) r
Construction	15 (9.6%)	16 (10.5%) r
Transportation & Storage	19 (5.5%)	19 (5.6%) r
Health Care	40 (5.5%)	39 (5.4%) r
5. Average Days from Accident to Notification		
Routine Claims *	9.1	10.3
6. Average Days from Loss of Earnings Date to First Payment		
All Claims	37.2	33.1
7. Reconsideration Decisions		
Review Office *(% of settled claims)*	1,142 (3.0%)	1,013 (2.5%)
% Upheld	71%	70%
% Overturned *(including partial)*	29%	30%

** Routine claims constitute about 85% of the total*

Note 1

In 2001 Statistics Canada changed their methodology to determine average industrial wage. As this statistic is used to calculate the number of covered workers, the previously published figures for 2000 were restated using the new methodology. This resulted in a lower calculated figure for covered workers and an increase in the previously published proportion of total time loss claims from 5.4% to 5.8%. Previous estimates are not comparable.

Active Claims

The number of short-term disability claims under administration at year-end decreased by 13.1% due to fewer reported claims.

The number of active long-term claims decreased by 5.7% largely due to a continuation of the pension commutation program that offered lump sum settlements to pensioners receiving less than $100 per month. A total of 312 pensioners elected to receive the settlement.

The number of active survivor claims increased slightly by 1%.

Active rehabilitation claims at December 31, 2001 were down 1.4% from 2000 as, under the new case management structure, case managers have additional responsibility to work with the claimants, which reduces transfers of files to rehabilitation.

ACTIVE CLAIMS AT YEAR-END	2001	2000
1. Active, Short-Term Disability Claims	2,434	2,801 r
2. Active, Long-Term Disability Claims		
Life Pensions *(excluding survivors)*	3,394	3,749
Supplements *(SAC's)*	562	503
Earnings Loss *(Rehabilitation Income Maintenance)*	441	412
Total	**4,397**	**4,664**
3. Active Survivor Claims		
Spouse	521	524
Children	420	407
Other	7	7
Total	**948**	**938**
4. Active Rehabilitation Claims	903	916
5. Total Active Claims	**8,682**	**9,319 r**

New Long-Term Claims

Total new impairment awards increased by 28.8% to 1,128 as a result of a service initiative to reduce time required to award an impairment rating. The average impairment rate awarded to claimants as a result of their injuries decreased by 19.1% from 9.4% to 7.6%.

The number of new entrants to rehabilitation increased by 12%, reflecting the increase in claims reported in 2000, which have worked their way through the case management system.

NEW LONG-TERM CLAIMS	2001	2000
1. New Impairment Awards		
Life Pensions	280	266
Lump Sum	821	560
Supplements	27	50
Total	**1,128**	**876**
2. Average New Impairment Award	7.6%	9.4%
3. New Entrants to Rehabilitation Programs	354	316
4. Propensity to Award Long-Term Benefits *(% becoming long-term)*	1.8%	1.7% r
5. Average New Long-Term Earnings Loss *(% of pre-accident earnings)*	80.1%	78.2%

Duration/Severity

Duration on claims can be measured in a variety of ways, of which three have been selected for inter-provincial comparisons. The first of these, duration on settled claims, measures actual duration when a claim is settled. It does not include accumulating duration for claims that have not yet been settled as of year-end. By this measure, duration increased by 16% between the two years.

The "90-day window technique" measures duration in the first 90 days after the accident, whether the claim has been settled or not. Obviously, this measure does not take into account most long-term claims. By this measure, duration increased by 3% between the two years.

The "composite measure" counts actual duration for settled claims, as well as accumulated duration for claims that have not yet been settled. This measure is often viewed as being the most representative of actual practice. It may be calculated for the current year as well as all accumulated years. Using this measure, duration increased. For example, it grew by 10.8% for all wage loss cases (i.e. compensation and rehabilitation) for all years. It also increased, for claims involving compensation only, from 36.9 to 39.7 days, up 7.6%.

DURATION/SEVERITY *(in days)*	**2001**	**2000**
1. Average Duration of Claims *(Compensation)*		
Settled Claims	28.3	24.4
90-day Window	17.1	16.6
Composite Measure *(current)*	21.4	20.7 r
Composite Measure *(all years)*	39.7	36.9 r
2. Average Duration of Claims *(All Wage Loss)*		
Composite Measure *(current)*	22.2	20.8 r
Composite Measure *(all years)*	44.2	39.9

Assessments

These statistics complement those appearing in the statistical supplement.

ASSESSMENTS STATISTICS	2001	2000
1. Assessable Payroll *($ millions)*	$8,291	$7,984 r
2. Rates		
Average	1.51	1.49
Lowest	0.17	0.19
Highest	13.14	12.77
3. Employers		
Registered	23,846	23,400
New	2,781	2,708
4. Write-offs as % of Revenue	0.4%	0.3%

Staffing

During 2001 the Board added six new permanent positions and converted 30 full-time extended term positions to permanent status. The Board's staffing complement at December 31 is as follows:

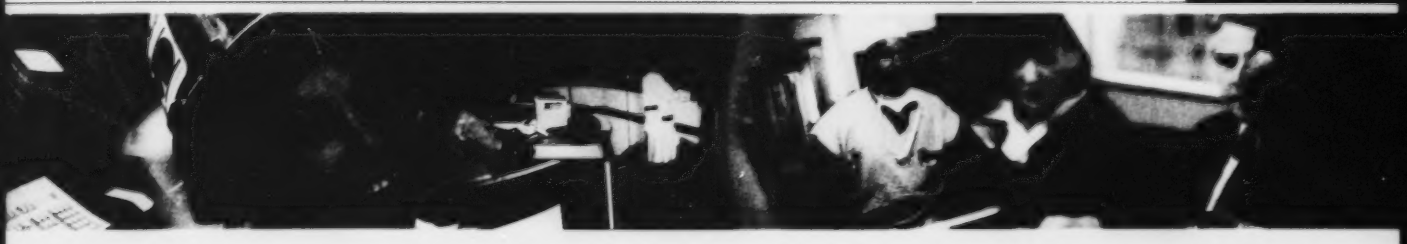
STAFFING COMPLEMENT	2001	2000
Approved full-time permanent positions	469	433
Approved full-time term positions	0	30
Health Care Professionals *(part-time contract)*	33	31
Health Care Professionals *(full-time contract)*	0	2

FINANCIAL STATISTICS

	2001	2000
1. Expenses and Percentages		
Claim costs – current year	$103,770,000 (53%)	$111,857,000 r (55%)
Claim costs – prior years	45,959,000 (23%)	45,645,000 r (23%)
Operating expenses	47,389,000 (24%)	44,907,000 (22%)
2. Administration Expenses *(AWCBC defn.)*		
Expenses	$38,280,000	$35,394,000
Administration cost per accepted time loss claim	2,039	1,765
3. Maximum Weekly Compensation *(for a two parent, two child family)*	$621.17	$602.90
4. Claim Costs Incurred on a fully-funded basis		
Total *(all years)*	$149,729,000	$157,502,000
Total *(current year)*	103,770,000	111,857,000 r
Per accepted time loss claim *(all years)* Note 1	7,977	7,854
Per accepted time loss claim *(current year)*	5,528	5,578 r
5. Ratios		
Premiums per covered worker – Note 2	$411	$392 r
Claim costs incurred per covered worker – Note 2	$430	$454 r
Claim costs incurred per $100 of assessable payroll – Note 3	$1.81	$1.97
Benefit liabilities expressed as a multiple of benefit payments – Note 4	4.8	5.1
Workplace Safety & Health and Worker Advisor Office costs per $100 of assessable payroll	$0.08	$0.07
6. Insurance Ratios *(see discussion following)*		
Direct loss	106.5%	118.9%
Overall	101.3%	99.8%
7. Book Rate of Return on Investments	7.9%	10.8%
8. Market Rate of Return on Investments, gross	1.9%	8.1%
9. Funding Ratio *(AWCBC defn.)*	102.7%	102.7%

Note 1

The claim costs incurred per accepted time loss claim (all years) increased by $123. This calculation, which divides total claim costs incurred for all years by accepted time loss claims in 2001, conforms to the approach recommended by the AWCBC for reporting to the Financial Executives Institute of Canada. While claim costs for current year claims declined with the level of new accepted time loss claims, prior year claim costs were unchanged driving up the average cost.



Note 2

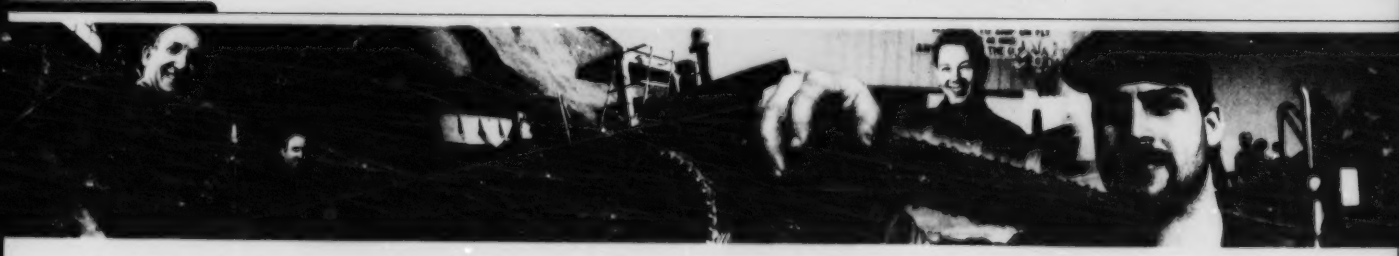
Premiums per covered worker and claim costs incurred per covered worker represent two measures of the economic cost of insurance for the policyholders and beneficiaries. Premiums per covered worker increased by 4.8% to $411 reflecting growth in wage levels and the slightly higher average assessment rate. Claim costs per covered worker decreased by 5.3%, to $430 per worker, as a result of lower claim costs incurred spurred by the reduction in accidents.

Note 3

The amount of claim costs incurred per $100 of assessable payroll is one important indicator of sustainable long-term assessment rates in the absence of investment earnings. In 2001, this indicator has decreased to $1.81 from last year's value of $1.97, an 8.1% decrease. Claim costs incurred decreased while assessable payroll continued to increase in 2001.

Note 4

Benefit liabilities expressed as a multiple of payments made is a measure of the average "tail" or longevity of the liabilities. For 2001 the multiple is 4.8 times (2000 – 5.1 times).

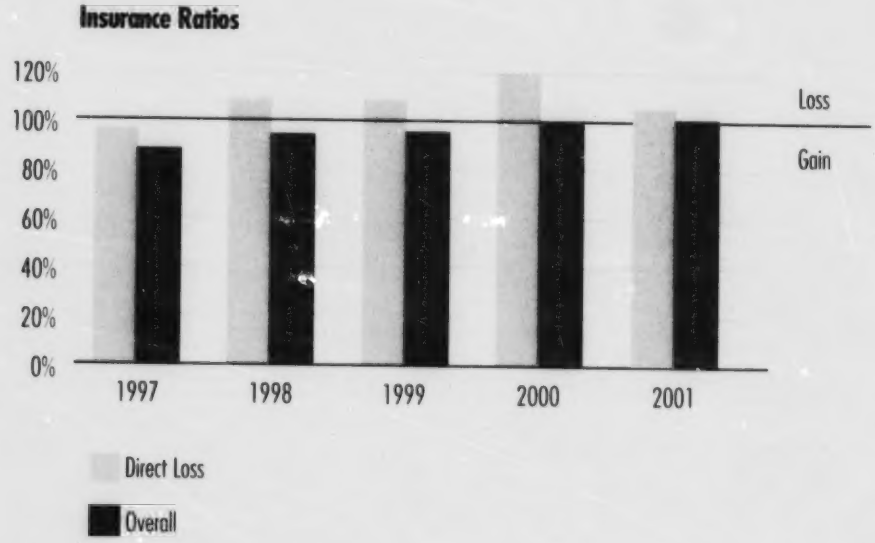


Insurance Ratios

The financial operations of the Board can be summarized by two ratios commonly used by the insurance industry. The direct loss ratio compares claim costs incurred with premium revenue; when this ratio exceeds 100%, the WCB loses money on claims as it pays out more on claims than it collects in premiums. The overall ratio is a measure of the Board's experience taking into account investment income and operating overheads. When the overall ratio exceeds 100%, the Board loses money resulting in an operating deficit.

Of the two ratios, the overall ratio is considered the most telling statistic as it utilizes all revenue and expense categories and, thus, it is the most indicative of the Board's total operations. Although the direct loss ratio produces values over 100%, the critical overall ratio is only slightly above 100%, signalling that the Board's operating deficit is small.

The upward trend in both ratios from 1997 to 2000 was the result of recording the long latency and surviving spouse benefit liabilities. 2001 results showed a 10.4% improvement in the direct loss ratio, while the overall ratio worsened slightly to 101.3%. Based on the 2002 budget and the Five Year Plan, it is projected that the direct loss ratio will continue to improve and be in a band from 95% to 100%. The overall ratio is expected to show values very close to 100% until 2006 when it will strengthen to approximately 96%.



STATEMENT OF ACTUARIAL OPINION

with respect to the

Present Value of Future Benefit Liabilities of the Workers Compensation Board of Manitoba
Based on an Actuarial Valuation as at December 31, 2001

We have completed an actuarial valuation of the benefit liabilities for insured and self-insured employers under *The Workers Compensation Act of Manitoba* as at December 31, 2001. The purpose of the valuation is to provide adequate and appropriate estimates of the present value of future benefit obligations for inclusion in the Board's 2001 financial statements. The benefit liabilities reflect payments that will be made in future years as a result of accidents or exposures that occurred on or before December 31, 2001. We have estimated these liabilities to be $683.1 million as at December 31, 2001.

The Board's benefit liabilities include the actuarial present value at December 31, 2001 of:

- Wage Loss Benefits
- Disability Pensions
- Survivor Benefits
- Health Care Benefits
- Rehabilitation Benefits.

We have performed the analysis and calculations for these components of the benefit liabilities.

The Board's benefit liabilities also include provisions for the following items which have been calculated based on analysis performed by the Board using methods that we consider to be reasonable:

- the present value of future claims administration costs the Board estimates will be required for payment of these benefits, and
- the present value of the cost of benefits for future long latency claims presently in a latency period, proportionate to the period of latency that has passed.

This valuation is based on the provisions of *The Workers Compensation Act* and amendments made to the Act as of December 31, 2001, and the current practices and administration procedures of the Workers Compensation Board. The actuarial methods used for the valuation reflect the Board's historical claims experience. The methods used to estimate the present value of benefits have mostly been retained from the prior valuation with some minor modifications that are described fully in the actuarial report. The approximate effect of these modifications combined with the effect of other changes to the actuarial basis is shown below.

Future investment earnings are projected at 7%. Where benefits are indexed to price inflation, a 4% rate has been used to project investment earnings in excess of benefit indexation. Where benefits are indexed to wage inflation, a 3% rate has been used to project investment earnings in excess of indexation. A 3% rate has also been used to project investment earnings in excess of future inflationary increases in health care benefits and rehabilitation service provider benefits.

Complete information regarding our actuarial valuation is provided in our valuation report to the Board dated February 2002.

The balance sheet from the Board's December 31, 2001 financial statements shows rate stabilization fund and accident fund balances totalling $75.1 million, a net decrease of $2.5 million since December 31, 2000. The major components contributing to the change in fund balances during 2001 are shown below. This reconciliation of the Board's fund balances is based on the calculations described in this report, information shown on the Board's financial statements with respect to assessment revenues and investment income, and benefit payment data supplied by the Board.

The following table shows the reconciliation of the fund balances for 2001 and the two prior years.

		($ Millions)	
	1999	**2000**	**2001**
Total Fund Balances at Beginning of Year	**$68.6**	**$77.1**	**$77.6**
Plus			
Expected investment income on the fund	4.8	5.4	5.4
Experience gains (losses) resulting from:			
• investment earnings above the valuation interest rate	13.5	21.3	3.5
• prior years' claims	1.6	(22.6)	(27.9)
• current year's claims	(8.1)	(6.9)	13.8
Gains resulting from changes to the actuarial basis	5.9	3.6	1.6
Addition for surviving spouse benefits	(10.0)	0.0	0.0
Gains (losses) due to other factors	0.8	(0.3)	1.1
Total Fund Balances at End of Year	**$77.1**	**$77.6**	**$75.1**
Comprised of :			
• Rate stabilization fund	$57.1	$57.6	$55.1
• Accident fund	$20.0	$20.0	$20.0

We have relied on the accuracy and completeness of the data supplied by the Board. Where possible, we have compared the data with prior years' data to identify any inconsistencies.

In my opinion,

- The data is sufficient and reliable for the purpose of the valuation
- The assumptions made for the valuation are appropriate for the purpose of the valuation
- The methods employed are consistent with sound actuarial principles for the purpose of the valuation.

The valuation report on which this certificate is based has been prepared and the opinions given in accordance with accepted actuarial practices.

Yours truly,

A. Douglas Poapst, F.S.A., F.C.I.A.

February 25, 2002

AUDITORS' REPORT

To the Workers Compensation Board of Manitoba

We have audited the balance sheet of the Workers Compensation Board of Manitoba as at December 31, 2001 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Winnipeg, Manitoba
March 1, 2002

BALANCE SHEET

December 31, 2001

(In thousands of dollars)	2001	2000
Assets		
Cash – Note 3	$ 2,025	$ 1,500
Receivables – Note 4	22,694	21,881
Investment portfolio – Note 5	712,531	704,353
Deferred assessments	20,872	23,348
Capital assets – Note 6	13,046	13,665
	$ 771,168	$ 764,747
Liabilities and Fund Balances		
Payables and accrued liabilities – Note 7	$ 12,896	$ 12,080
Benefit liabilities – Note 9	683,131	675,084
Total liabilities	696,027	687,164
Rate stabilization fund balance – Note 10	55,123	57,565
Accident fund balance – Note 10	20,018	20,018
	$ 771,168	$ 764,747

Signed on behalf of the Board

Wally Fox-Decent
Chairperson, Board of Directors

Bruno Zimmer
Finance Committee of the Board of Directors

The accompanying notes are an integral part of the financial statements.

STATEMENT OF OPERATIONS

Year Ended December 31, 2001

(In thousands of dollars)	2001	2000
Revenue		
Premiums – Class E employers	$ 126,024	$ 119,582
Premiums – Self-insured employers	17,058	16,388
Total premium revenue	143,082	135,970
Investment income required to support actuarially determined benefit liabilities – Note 5	50,570	49,057
Investment income exceeding actuarial requirement – Note 5	3,500	21,300
Total investment income	54,070	70,357
Total revenue	197,152	206,327
Expenses		
Claim costs incurred – Note 9	149,729	157,502
Operating expenses – Note 11	47,389	44,907
Total expenses	197,118	202,409
Operating surplus before deferred assessments	34	3,918
Decrease in deferred assessments	(2,476)	(3,457)
Operating (Deficit) Surplus	$ (2,442)	$ 461

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN FUND BALANCES

Year Ended December 31, 2001

(In thousands of dollars)

Rate Stabilization Fund Balance		
Balance at beginning of year	$ 57,565	$ 57,104
Allocation from operating (deficit) surplus	(2,442)	461
Balance at end of year	$ 55,123	$ 57,565
Accident Fund Balance		
Balance at beginning of year	$ 20,018	$ 20,018
Allocation from operating (deficit) surplus	0	0
Balance at end of year	$ 20,018	$ 20,018

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2001

(In thousands of dollars)	2001	2000
Operating Cash Flows		
Premiums from employers	$ 142,270	$ 135,199
Investment revenue	30,280	33,633
Payments to claimants or third parties on their behalf	(141,682)	(132,855)
Purchases of administrative goods and services	(46,036)	(42,134)
Net cash used by operating activities	(15,168)	(6,157)
Investing Cash Flows		
Proceeds on disposal of investments	666,974	1,115,843
Purchase of investments	(648,116)	(1,103,415)
Capital asset acquisitions, net of disposals	(3,165)	(3,561)
Net cash provided by investing activities	15,693	8,867
Net increase in cash	525	2,710
Cash at beginning of year	1,500	(1,210)
Cash at end of year – Note 3	$ 2,025	$ 1,500

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2001

($ amounts in thousands of dollars unless otherwise noted)

1. Nature of Operations

The Workers Compensation Board of Manitoba (the Board) operates under the authority of *The Workers Compensation Act*. The Board is responsible, in accordance with the provisions of the Act for:

- Administering payments to injured workers and suppliers of services to injured workers
- Levying and collecting premiums from established classes of employers in amounts sufficient to cover the current and future costs of existing claims
- Investing surplus funds.

An independent Workers Compensation Appeal Commission is established under the Act to make final rulings on any appeals pertaining to the Board's assessment or benefits decisions.

The Board's mission is to provide superior compensation services to Manitoba workers and employers in a manner that is sensitive, responsive and effective in order to minimize the impact of workplace injuries.

The Board's funding policy is intended to ensure that fiduciary responsibilities are carried out in accordance with the Act and that annual influences do not unduly distort the funding process. The Board is committed to operating on a fully-funded basis to a level-funding standard. Full funding requires that current employers pay for the current and future cost of existing compensable injuries and their administration, rather than future generations of employers paying for those injuries. Under level funding, the cost of claims with lengthy latency periods is funded in a level fashion over the worker's period of exposure to the elements which lead to the injury or disease.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada, which requires the Board to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. The Board's significant accounting policies are as follows:

Investments

Short-term investments are carried at cost. The remaining investments are recorded at cost adjusted toward market value using the moving average market method. Unrealized and realized gains and losses are deferred and amortized on a straight-line basis over 60 months. Interest and dividend income are recognized in the period earned.

Deferred Assessments

Deferred assessments represent the Board's estimate of premiums which will be received in the future from the self-insured employers to fund the future costs of existing claims that have arisen from their employees. The deferred assessments may be secured by irrevocable letters of credit or other suitable forms of guarantee.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized on a straight-line basis over their estimated useful lives, as follows:

Computer equipment	3 – 5 years
Systems development	3 – 5 years
Furniture, fixtures and equipment	5 years
Building renovations	10 years
Building	40 years

Employee Future Benefits

The cost of providing pension and other post-employment benefits to employees is recorded as an expense in the period in which employees' services are rendered. The corridor approach is used to record actuarial gains and losses for both the pension plan and other post-employment benefits. Under this approach, the annual actuarial gains and losses are aggregated and, if that amount exceeds 10% of the greater of plan assets or liabilities, the excess amount is amortized over the expected average remaining service life of the covered employees.

Benefit Liabilities

The Board's independent consulting actuary conducts a review of and reports on the benefit liabilities of the Board at each year-end. The benefit liabilities represent the actuarial present value of all future benefit payments expected to be made for claims or injuries which occurred in the current fiscal year or in any prior year. The benefit liabilities include provision for all benefits provided by current legislation, policies and/or administrative practices in respect of existing claims and provisions for the future expenses of administering the existing claims. The figures are estimates made from current information in accordance with procedures prescribed by the Canadian Institute of Actuaries.

Premium Revenue

The operations of the Board are categorized, in accordance with the Act, into Class E (general employers pool) and several classes of self-insured employers. Employers registered within Class E are subject to collective liability, and assessment premiums are determined by applying applicable industry assessment rates to the employers' reported payrolls for the current year.

Self-insured employers, principally government bodies and railways and their subsidiaries, are subject to individual responsibility for costs attributable to claims arising from their employees, as well as administration expenses incurred on behalf of the self-insured employers.

Foreign Currency Translation

Assets and liabilities, with the exception of investments, denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. The foreign currency exchange gains and losses for investments are recorded in the same manner as the related investment gains, losses, revenues or expenses.

3. Cash

	2001	2000
	$ 33	$ 21
Money market instruments	3,813	3,465
Bank balances	(1,821)	(1,986)
Cheques issued and outstanding		
	$ 2,025	$ 1,500

The Board has established an operating line of credit with its principal banker in the amount of $6 million. Advances on the line of credit bear interest at the bank's prime interest rate. The Board has also established a revolving credit facility with the Treasury Division of the Province of Manitoba in the amount of $40 million. Loan advances bear interest at the Province's preferred lending rate. Both credit facilities are unsecured.

4. Receivables

Premiums for Class E employers	$ 19,368	$ 17,272
Allowance for doubtful accounts	(1,676)	(1,841)
	17,692	15,431
Prepaid employee pension plan costs	93	56
Premiums for self-insured employers	1,983	2,260
Mortgages	1,400	2,290
Sundry	1,526	1,844
	$ 22,694	$ 21,881

Mortgages receivable bear interest at a rate of 6.0% per annum and are due in 2002 and 2003.

5. Investment Portfolio

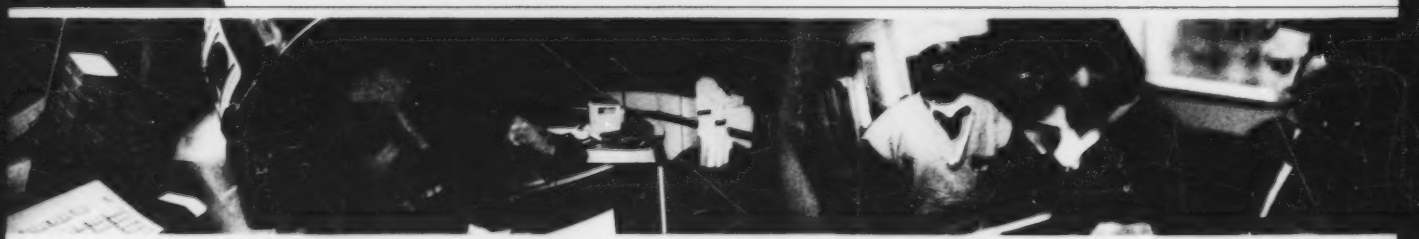
The book value and the estimated fair value (market value) of the investments are:

	2001				2000			
	Book Value	Estimated Fair Value	Average Term to Maturity (years)	Market Rate of Return	Book Value	Estimated Fair Value	Average Term to Maturity (years)	Market Rate of Return
Cash and Short-Term Investments	$ 38,038	$ 38,038	0.1	5.2%	$ 26,808	$ 26,808	0.2	5.7%
Bonds								
Government of Canada	140,826	144,745	–	–	164,645	167,208	–	–
Provincial	76,406	79,073	–	–	83,270	84,743	–	–
Corporate	106,845	109,009	–	–	110,512	110,982	–	–
	324,077	332,827	9.3	8.3%	358,427	362,933	10.1	11.2%
Mortgages	8,167	7,889	1.5	7.0%	8,372	8,229	2.7	5.5%
Real Estate	40,193	42,599		15.3%	17,489	17,459		12.8%
Equities								
Canadian	181,032	153,878	–	(4.3%)	163,479	154,330	–	17.6%
U.S.	51,408	59,377	–	0.7%	84,763	87,023	–	14.4%
Europe, Australia and Far East	120,448	101,664	–	(11.7%)	116,047	115,158	–	(5.9%)
Emerging markets	8,480	8,019	–	(0.2%)	8,272	8,033	–	(15.8%)
	361,368	322,938	–	(6.6%)	372,561	364,544	–	8.0%
Total	771,843	$ 744,291	–	1.9%	783,657	$ 779,973	–	8.1%
Deferred realized gains	(59,312)				(79,304)			
Net Book Value of Investments	$ 712,531				$ 704,353			

Reconciliations of the changes for the year in the deferred unrealized and realized gains (losses) balances are as follows:

	2001	2000
Deferred Unrealized Gains (Losses)		
Balance, beginning of year	$ (3,684)	$ 27,337
Unrealized net losses for the year	(25,854)	(21,425)
	(29,538)	5,912
Amortization during year	1,986	(9,596)
Balance, end of year	$ (27,552)	$ (3,684)
Deferred Realized Gains		
Balance, beginning of year	$ 79,304	$ 62,226
Realized net gains for the year	8,509	47,754
	87,813	109,980
Amortization during year	(28,501)	(30,676)
Balance, end of year	$ 59,312	$ 79,304
Investment Income		
Investment income was derived from the following sources:		
Cash and short-term investments	$ 1,810	$ 3,180
Bonds	19,724	22,537
Mortgages	673	711
Real estate	3,225	1,399
Canadian equities	2,415	2,118
Foreign equities	3,137	3,754
Amortization of deferred unrealized (losses) gains	(1,986)	9,596
Amortization of deferred realized gains	28,501	30,676
Loan interest	(183)	(65)
Expenses	(3,246)	(3,549)
Investment income	$ 54,070	$ 70,357

Based on the 7% discount rate (2000 – 7%) used to actuarially determine the benefit liabilities, the required investment return on average investment assets is $50.6 million (2000 – $49.1 million). Total investment income of $54.1 million (2000 – $70.4 million) exceeded the actuarial requirement by $3.5 million (2000 – $21.3 million). The analysis of investment income presented in the Statement of Operations has been disclosed for informational purposes. This provides a comparison of the return on investments required to support benefit liabilities and the excess of actual returns over this amount.



Market Risk

The Board invests in publicly and privately traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Board does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

Credit Risk Management

Credit exposure on fixed income securities arises from the possibility that the issuer of an instrument fails to meet its obligation to make interest payments and repay principal. Of the fixed income assets in the investment portfolio, 97% (2000 – 96%) have at least an A credit rating. The Board does not anticipate that any borrowers will fail to meet their obligations.

Securities Lending

The Board may lend, for fee income, any of its investments to third parties, provided the loans are secured by cash or readily marketable securities having a market value of at least 105% of the market amount of the investment instruments borrowed. As of December 31, 2001 secured loans amounted to $25.7 million (2000 – $75.8 million).

Foreign Exchange Risk Management

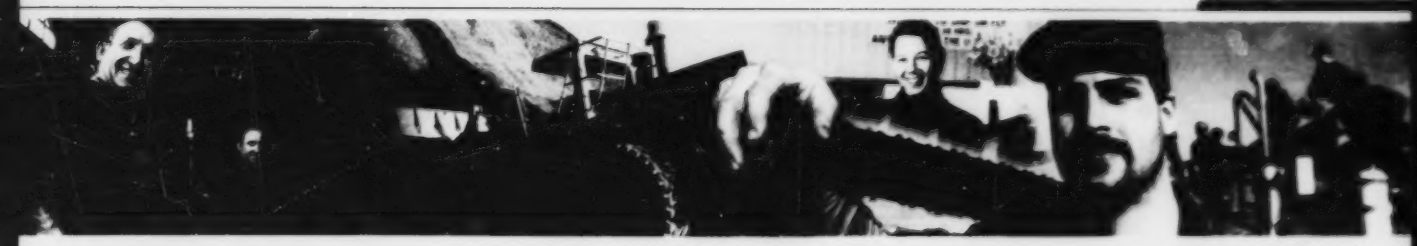
The Board has certain investments denominated in foreign currencies. During 2001 the Board did not undertake hedging strategies for the currency risk of foreign investments and currency fluctuations influenced short-term returns. These fluctuations are not expected to affect the long-term position of the investment portfolio.

Interest Rate Risk Management

Fluctuations in interest rates are managed by actively controlling the duration of the fixed income portfolio. The table at the beginning of this note discloses the remaining term to maturity of the Board's fixed term investments.

6. Capital Assets

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 13,918	$ 11,107	$ 2,811	$ 3,114
Systems development projects	8,735	5,843	2,892	2,887
Furniture, fixtures and equipment	2,421	2,052	369	418
Building renovations	3,109	1,110	1,999	2,275
Building and land	5,133	158	4,975	4,971
	$ 33,316	$ 20,270	$ 13,046	$ 13,665



7. Payables and Accrued Liabilities

	2001	2000
Accounts payable and accrued liabilities	$ 2,496	$ 3,214
Claimant annuity program	4,255	3,256
Community Initiatives and Research Program grants	1,941	1,815
Deposits from self-insured employers	1,333	1,384
Employee vacation entitlements	1,244	931
Other payables	1,172	1,298
Sick leave plan	455	182
	$ 12,896	$ 12,080

8. Employee Future Benefits

The Board has a defined benefit plan that provides pension benefits to employees based on length of service and highest average earnings. The Board also has a benefit plan that provides for a payment of accumulated sick leave credits to employees that meet established criteria upon termination or retirement.

Information about the Board's employee benefit plans as at December 31, is as follows:

	Pension Plan		Sick Leave Plan	
	2001	2000	2001	2000
Fair value of plan assets	$ 44,033	$ 42,728	$ –	$ –
Accrued benefit obligation	45,267	40,278	1,652	1,514
Funded status – plan (deficit) surplus	$ (1,234)	$ 2,450	$ (1,652)	$ (1,514)
Accrued benefit asset (liability)	$ 93	$ 56	$ (455)	$ (182)

As the Board has restricted access to the actuarially determined pension plan surplus as at January 1, 2000, the Board has determined an expected future benefit of $675 thousand existed at the date of adoption of the standard and it is this amount that is being amortized to operations.

While the obligation to pay sick leave credits is unfunded in the sense that the Board does not hold segregated assets to fund the obligation, the Board itself has sufficient assets to support its liabilities.

The significant actuarial assumptions adopted in measuring the Board's accrued benefit obligations are:-

	Pension Plan		Sick Leave Plan	
	2001	2000	2001	2000
Discount rate	7.0%	7.0%	7.0%	7.0%
Expected long term rate of return on plan assets	7.5%	7.5%	7.0%	7.0%
Rate of compensation increase	5.0%	5.0%	2.75%	2.75%
Expected average remaining service life (in years)	15	15	15	15

Other information about the Board's employee benefit plans is as follows:

	Pension Plan		Sick Leave Plan	
	2001	2000	2001	2000
Plan expense	$ 1,346	$ 1,177	$ 307	$ 276
Employer contributions	1,383	1,233	–	–
Employee contributions	1,165	1,035	–	–
Benefits paid	1,140	1,511	35	94

During the year, the Board changed its accounting policy for the recognition of actuarial gains and losses for the pension plan. The effect of the change in policy is not material to the financial statements.

9. Benefit Liabilities

An analysis of the components of and changes in benefit liabilities is as follows:

	2001						2000
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care Benefits	Rehab-ilitation Services	Total	Total
Balance at beginning of year	$ 81,701	$ 354,128	$ 151,992	$ 69,694	$ 17,569	$ 675,084	$ 650,437
Add: Claim costs incurred							
Current year	62,805	4,334	7,336	23,836	5,459	103.770	111,857
Prior years	(18,115)	46,871	5,361	12,644	(802)	45,959	45,645
	44,690	51,205	12,697	36,480	4,657	149,729	157,502
Less: Claim payments made							
Current year	21,499	215	182	10,214	20	32,130	35,477
Prior years	26,622	44,489	14,426	20,286	3,729	109,552	97,378
	48,121	44,704	14,608	30,500	3,749	141,682	132,855
Balance at end of year	$ 78,270	$ 360,629	$ 150,081	$ 75,674	$ 18,477	$ 683,131	$ 675,084

The liability for short-term disability claims is an estimate of future wage loss payments for claims that have yet to medically plateau or stabilize. The long-term disability liability includes estimated future wage loss payments for those claims that have medically plateaued and stabilized, and estimated future pension payments. The liability for survivor benefits is composed of estimated future pension payments and other services provided to survivors of those who have lost their lives as a result of workplace accidents. Health care liabilities are the estimated future medical costs for existing claims. The liability for rehabilitation services is composed of the estimated cost of future rehabilitation services which are supplied externally to the Board.

Included in long-term disability is the Board's liability, in the amount of $60.4 million (2000 – $60.4 million) for the future cost of claims relating to certain latent occupational diseases which may have occurred in the current year or prior years, but which may not be recognized and reported for a number of years due to the extended latency periods of such diseases.

Also included in benefit liabilities is a provision in the amount of $40.0 million (2000 – $39.3 million) for the future cost of administering existing claims.

The actuarial present value of future benefit payments reflects management's long-term estimates of economic and actuarial assumptions and methods, which are based upon past experience and modified for current trends. As these assumptions may change over time to reflect underlying conditions, it is possible that such changes could cause a material change in the actuarial present value of the future payments. The fair value for benefit liabilities is not readily determinable.

10. Fund Balances

The Rate Stabilization Fund balance protects the Board from the risk that a catastrophic event, causing either an increase in the value of the liabilities or a decrease in the value of assets, could unfairly burden Class E employers and potentially cause the accident fund balance to become unfunded or prompt the Board to consider exceptional increases in assessment rates.

The Accident Fund balance protects the Board and its stakeholders from general business risks and is collectively attributable to the Class E employers.

11. Operating Expenses

	2001	2000
Salaries, employee benefits and training	$ 28,718	$ 26,166
Information technology service fees	1,915	2,383
Professional fees	1,119	1,887
Occupancy costs	1,656	1,614
Office supplies and services	1,322	1,088
Communications	970	1,016
Donations	88	121
Amortization of capital assets	3,784	3,389
Administrative expenses	39,572	37,664
Recoveries from the Government of Canada	(592)	(522)
Community Initiatives and Research Program grants	1,000	975
Appeal Commission	986	931
Workplace Safety & Health, and other (Note 12)	6,423	5,859
Total operating expenses	$ 47,389	$ 44,907

Of the total operating expenses, $3.0 million (2000 – $3.3 million) is allocated to the self-insured employers based on the current year's transaction volumes.

The Board administers the Government Employees Compensation Act program for the Government of Canada. The operation of this program is reflected only to the extent of the recoveries of administration expenses.

During 2001, the Board approved 10 grants to fund research and education projects, totalling $1.0 million that will benefit both injured workers and employers (2000 – 8 grants totalling $975 thousand).

12. Related Party Transactions

Pursuant to *The Workplace Safety and Health Act*, the Province may pay the expenses incurred in the administration of that Act out of the consolidated fund and may, subsequently, recover such portion as it may determine from the class funds under *The Workers Compensation Act*. For 2001, the amount charged to operations under this provision is $5.5 million (2000 – $5.1 million).

Also, under Section 84.(1) of *The Workers Compensation Act*, the Province may pay the costs incurred in respect of worker advisors and may recover them from the class funds. For 2001, the amount charged to operations under this provision is $875 thousand (2000 – $795 thousand).

In addition to the legislated obligations referred to above, included in these financial statements are amounts resulting from routine operating transactions conducted at prevailing market prices with various provincial government controlled ministries, agencies and Crown corporations with which the Board may be considered related. This includes the provision of assistance, in the form of medical opinions and appeal services, for the Province of Manitoba relating to criminal injury claims. The provincial government is also a self-insured employer under *The Workers Compensation Act*. Account balances resulting from these transactions are included in the financial statements and are settled on normal trade terms.

Included in the Board's investment portfolio are guaranteed debentures issued by the Province of Manitoba, in the amount of $18.4 million (2000 – $21.4 million).

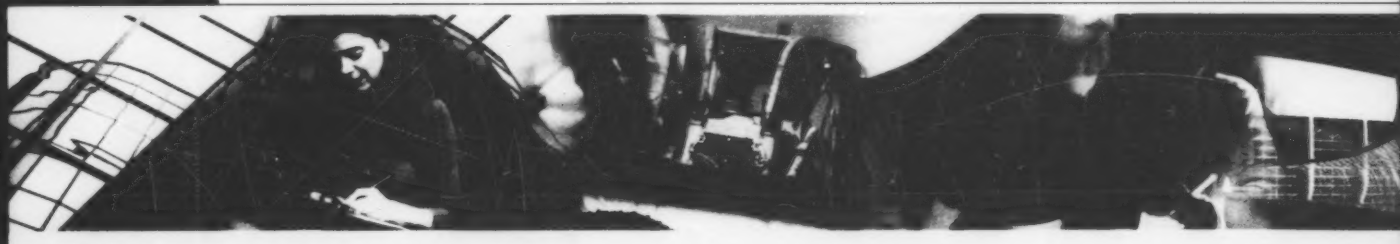
13. Benefit Liabilities for Self-Insured Employers

Note 9 contains a complete description of the components of the Board's benefit liabilities for all employers. An analysis of the portion relating to the self-insured employers is as follows:

	2001						2000
	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care Benefits	Rehab-ilitation Services	Total	Total
Balance at beginning of year	$ 5,997	$ 37,207	$ 27,492	$ 7,152	$ 1,092	$ 78,940	$ 79,638
Add: Claim costs incurred							
Current year	5,060	187	828	3,403	371	9,849	10,056
Prior years	553	2,550	2,220	772	(148)	5,947	5,277
	5,613	2,737	3,048	4,175	223	15,796	15,333
Less: Claim payments made							
Current year	2,145	23	29	1,097	2	3,296	3,220
Prior years	2,962	4,649	3,311	2,526	199	13,647	12,811
	5,107	4,672	3,340	3,623	201	16,943	16,031
Balance at end of year	$ 6,503	$ 35,272	$ 27,200	$ 7,704	$ 1,114	$ 77,793	$ 78,940

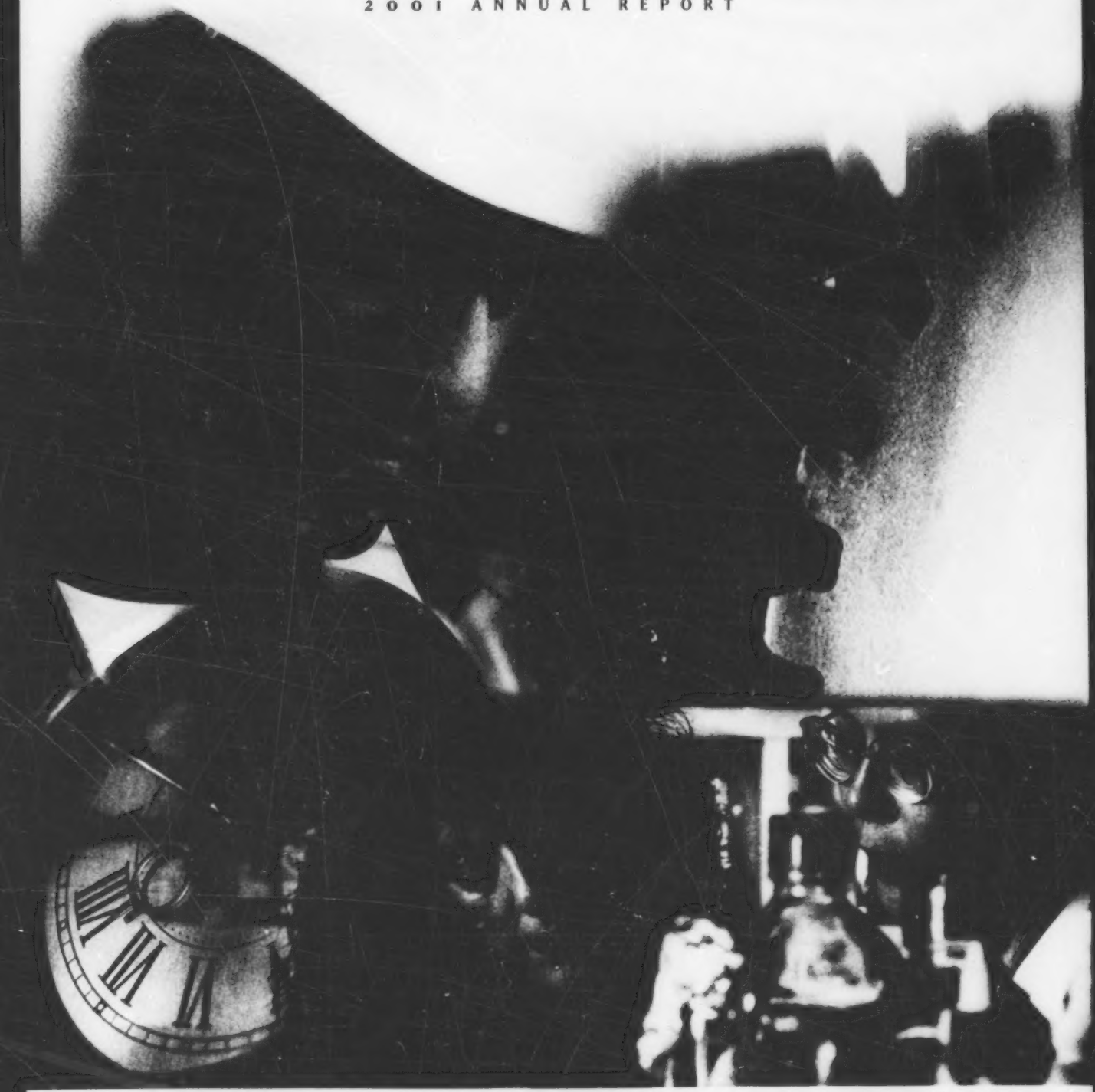
Included in the premiums and claim costs are payments in the amount of $2.4 million (2000 – $2.7 million) made by self-insured employers directly to claimants on the Board's behalf. These amounts are reported to the Board for inclusion in these financial statements.

Included in the benefit liabilities balance is $6.3 million (2000 – $6.3 million) for the self-insured employers' share of the long latent occupational disease liability and $3.3 million (2000 – $3.4 million) for the future cost of administering existing claims.



Statistics

2001 ANNUAL REPORT



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CLAIMS SERVICES STATISTICS

I. Claims Statistics

	1994	1995	1996	1997	1998	1999	2000	2001
Claims Reported								
Current year claims registered during year	40,352	40,647	39,896	41,953	44,296	43,927	45,327	42,381
Prior year claims registered during year	1,652	1,731	1,639	1,878	1,703	1,725	1,894	1,980
Claim files settled								
Medical Aid Only	13,303	14,986	14,039	14,039	15,822	15,125	14,952	14,219
No Cost Claims	4,509	4,526	4,333	4,391	4,752	4,820	4,706	4,739
Time Loss Claims	17,789	18,344	16,144	17,327	18,385	19,800	18,598	18,537
Claims Initially Rejected	521	785	738	914	821	907	902	1,184
Claims Referred	4,173	4,777	4,570	5,392	5,605	5,742	5,938	6,058

2. Pension Benefits

	1994	1995	1996	1997	1998	1999	2000	2001
Permanently disabled	4,659	4,558	4,475	4,429	4,322	4,200	3,749	3,394
Widow(er)s	539	524	513	506	497	530	524	521
Children	332	342	345	348	360	403	407	420
Other dependents	8	5	8	7	6	8	7	7

FIGURES

I. Cause of Accident

Time Loss Accidents Only/2001 • Not Elsewhere Classified – n.e.c. • Unspecified – uns

Cause of Accident	#	%	Cause of Accident	#	%
Bending, climbing, crawling, reaching, twisting	3620	21.34	Struck by or slammed in swinging door or gate	116	0.68
Overexertion in lifting	2403	14.16	Fall to lower level, n.e.c.	110	0.65
Fall to floor, walkway, or other surface	1045	6.16	Struck by discharged object or substance	107	0.63
Struck against stationary object	939	5.53	Repetitive use of tools	97	0.57
Struck by slipping handheld object	878	5.18	Overexertion in holding, ..., or wielding	81	0.48
Struck by falling object	855	5.04	Assaults and violent acts by person(s), n.e.c.	76	0.45
Rubbed or abraded by foreign matter in eye	487	2.87	Struck by dislodged flying object, particle	75	0.44
Overexertion in pulling or pushing objects	459	2.71	Slip, trip, loss of balance – without fall,unspecified	70	0.41
Slipping on something – without fall	454	2.68	Exposure to welding light	68	0.4
Compressed/pinched by rolling, sliding/shifting obj.	351	2.07	Stepped on object	62	0.37
Struck by object, n.e.c.	328	1.93	Inhalation in enclosed, restricted, or confined space	58	0.34
Fall onto or against objects	309	1.82	Struck by rolling/sliding or falling objs on floor/ground	56	0.33
Contact with hot objects or substances	289	1.7	Hitting, kicking, beating	51	0.3
Struck against moving object	279	1.64	Struck by object, uns	51	0.3
Caught in running equipment or machinery	276	1.63	Stepping in a hole – without fall, n.e.c.	50	0.29
Repetitive motion, n.e.c.	254	1.5	Exposure to traumatic/stressful event, n.e.c.	50	0.29
Bodily reaction, n.e.c.	237	1.4	Exposure to noise over time	48	0.28
Caught in/compressed by equip./obj., n.e.c.	230	1.36	Fall from scaffold, staging	46	0.27
Overexertion, n.e.c.	205	1.21	Unknown	45	0.27
Fall down stairs or steps	183	1.08	Standing	43	0.25
Contact with skin or other exposed tissue	178	1.05	Jack-knifed or overturned – no collision	40	0.24
Repetitive placing, moving objects, except tools	175	1.03	Pedest. struck by veh., mobile equip. in parking lot	38	0.22
Fall from ladder	168	0.99	Squeezing, pinching, scratching, twisting	35	0.21
Fall from nonmoving vehicle	160	0.94	Overexertion in throwing objects	33	0.19
Tripping over something – without fall	132	0.78	Inhalation of substance, uns	29	0.17

FIGURES

2. Region of Body Injured

All reported accidents, not specifically rejected/2001

Region of Body Injured	#	%	Region of Body Injured	#	%	Region of Body Injured	#	%
Hand	8559	23.51	Foot	1213	3.33	Hearing	262	0.72
Multiple Injuries	5478	15.04	Miscellaneous	1168	3.21	Dorsal Spine	243	.67
Lower Spine	5425	14.90	Thorax	864	2.37	Upper Leg	236	0.65
Lower Leg	3183	8.74	Head	742	2.04	Pelvis	186	0.51
Lower Arm	3132	8.60	Abdomen	496	1.36	Upper Arm	160	0.44
Eye(s)	2901	7.97	Neck	349	0.96	Industrial Disease	59	0.16
Shoulder	1481	4.07	Cardio/Respiratory	276	0.76			

3. Nature of Injuries

Time Loss Accidents Only/2001 • Not Elsewhere Classified – n.e.c. • Unspecified – uns

Diagnosis	#	%	Diagnosis	#	%
Sprains, strains, tears, unspecified	8097	47.72	Anxiety, stress, neurotic disorders, uns	51	0.3
Cuts, lacerations	1666	9.82	Dermatitis, unspecified	51	0.3
Bruises, contusions	1572	9.27	Traumatic tendinitis (due to repetitive motions use 17330)	50	0.29
Multiple traumatic injuries and disorders, unspecified	1104	6.51	Abrasions, scratches	42	0.25
Fractures	647	3.81	Concussions	41	0.24
Crushing injuries	504	2.97	Second-degree heat burns, scalds	37	0.22
Foreign bodies (superficial splinters, chips)	484	2.85	Inflammation/irritation of joints/tendons/musc./connect.tis..c	33	0.19
Punctures, except bites	289	1.7	Traumatic bursitis (due to repetitive motions use 17310)	33	0.19
Tendonitis	248	1.46	Animal or insect bites	30	0.18
Heat burns, scalds, unspecified	244	1.44	Hernia, n.e.c.	25	0.15
Soreness, pain, hurt, except the back	158	0.93	Sprains and bruises	24	0.14
Back pain, hurt back	156	0.92	Rotator cuff syndrome	24	0.14
Carpal tunnel syndrome	112	0.66	Multiple traumatic injuries and disorders with fractures	22	0.13
Other poisonings and toxic effects, n.e.c.	92	0.54	Avulsions	22	0.13
Inguinal hernia	91	0.54	Conjunctivitis – non-viral	20	0.12
Epicondylitis	87	0.51	Oth combinations of traumatic inj. & disorders, n.e.c.	20	0.12
Chemical burns, unspecified	83	0.49	Facet syndrome	19	0.11
Cuts, abrasions, bruises	74	0.44	Fractures and other injuries	18	0.11
Surface wounds and bruises, unspecified	73	0.43	Tenosynovitis	17	0.1
Welders flash	70	0.41	Rotator cuff tear, traumatic (due to repetitive motion use)	17	0.1
Dislocations	67	0.39	Traumatic inj. to muscles, ..., joints, etc. uns	15	0.09
Spasms or tremors, n.e.c.	62	0.37	Sciatica	15	0.09
Deafness, hearing loss or impairment	56	0.33	First-degree heat burns, scalds	13	0.08
Amputations, fingertip	53	0.31	Acariasis	11	0.06
Unknown	53	0.31	Herniated disc, including slipped and ruptured disc	11	0.06

FIGURES

4. Month of Occurrence

All Reported Accidents, Not Specifically Rejected/2001

Month of Occurrence	#	%
January	3116	8.55
February	2844	7.81
March	3184	8.74
April	2763	7.58
May	3274	8.99
June	3152	8.65
July	3164	8.68
August	3464	9.51
September	2870	7.88
October	3231	8.87
November	3045	8.36
December	2330	6.39

5. Number of Days Between Board Notification and Claim Adjudication

Time Loss Accidents/2001

Days	%
0–5	27.7
6–10	21.45
11–20	21.09
21–30	12.02
31–40	6.23
41–60	6.23
61–90	3.08
91–183	1.79
184–365	0.42
> 365	0.01

6. Percentage of Time Lose Accidents Reported by Class/2001

Class	%
City of Wpg.	2.4
Class E	89.7
CPR/CNR, Air Can, Via	2.1
Govt. Can.	2.2
Prov. Man.	3.5

7. Time Loss Accidents *by Source of Injury*

Not Specifically Rejected/2001
Not Elsewhere Classified – n.e.c. • Unspecified – uns

Source	%	Source	%
Bodily motion or position of injured, ill worker	30.77	Beams	0.29
Health care patient or resident of health care facility	5.26	Pots, pans, trays	0.29
Ground	4.61	Parking lots	0.28
Floor of building	4.53	Walls	0.28
Boxes, crates, cartons	3.36	Chairs	0.27
Knives	2.99	Containers – pressurized, n.e.c.	0.27
Nonclassifiable	1.58	Forklift, uns	0.26
Metal chips, particles	1.55	Bus	0.25
Doors	1.41	Dies, molds, patterns	0.25
Cart, dolly, handtruck	1.22	Rollers	0.23
Bags, sacks, totes	1.15	Wheels, tire rims	0.22
Machinery, uns	1.11	Windows	0.21
Vehicle & mobile equip. parts, n.e.c.	1.06	Welding and heating handtools – powered, uns	0.21
Buckets, baskets, pails	1.01	Grinders, abraders	0.21
Dirt particles	1	Furniture, uns	0.21
Person – other than injured or ill worker, n.e.c.	0.93	Welding torches – powered	0.21
Bars, rods, reinforcing bar (rebar)	0.89	Wrenches – power not determined	0.2
Skids, pallets	0.84	Swine	0.19
Tables, worktables	0.82	Garment racks, other racks	0.19
Wood, lumber, uns	0.8	Sidewalks, paths, outdoor walkways, unspecified	0.18
Other sources, n.e.c.	0.79	Pipes, ducts, tubing, uns	0.18
Cabinets, cases – display, storage	0.67	Rocks, crushed stone	0.18
Nails, brads, tacks	0.6	Other structures, uns	0.18
Stairs, steps – indoors	0.58	Chips, particles, splinters, n.e.c.	0.18
Food slicers	0.54	Tools, instruments, & equip., uns	0.17
Metal materials – nonstructural, n.e.c.	0.53	Stairs, steps – outdoors	0.17
Metal materials – nonstructural, uns	0.51	Staples	0.17
Plywood, wood paneling; particle, chip, flake board	0.5	Stairs, steps, uns	0.17
Semitrailer, tractor trailer, trailer truck	0.47	Conveyors – belt	0.17
Tanks, bins, vats	0.46	Ramps, runways, loading docks	0.17
Automobile	0.4	Cans	0.16
Reels, rolls	0.39	Shelving	0.15
Sledges	0.38	Barrels, kegs, drums	0.15
Water	0.38	Wire – nonelectrical	0.15
Machinery, n.e.c.	0.38	Machine and appliance parts, uns	0.15
Truck, uns	0.37	Concrete blocks, cinder blocks	0.15
Glass, window panes	0.36	Jacks, n.e.c.	0.15
Pallet lift truck – motorized	0.36	Floor, n.e.c.	0.15
Pipes, ducts, tubing, n.e.c.	0.35	Beds, bedding, mattresses	0.14
Sheet metal	0.35	Fire, flame	0.14
Bodily conditions of injured, ill worker	0.34	Rails	0.14
Drills – powered	0.34	Wood chips, sawdust	0.14
Fats, oils	0.34	Metal sheets, ingots, bars – nonstructural	0.13
Noise	0.32	Ranges, cooking ovens, grills, toasters, food warmers	0.13
Chemical products – general, uns	0.32	Fire, flame, smoke, uns	0.13
Table saws	0.32	Drums, pulleys, sheaves	0.12
Plates, metal panels	0.32	Refrigerators, freezers, ice makers	0.12
Bundles, bales	0.3	Vises, clamps	0.12
Machine, tool, & electric parts, uns	0.3	Hoses	0.12
Machine and appliance parts, n.e.c.	0.29	Hammers	0.12

8. Time Loss Accidents *by Occupational Grouping*

Not Specifically Rejected/2001
Not Elsewhere Classified – n.e.c. • Unspecified – uns

Occupation	#	%	Occupation	#	%
Other labourers, processing	1283	7.56	Furn. & fixture assemblers	75	0.44
Oth trades helpers, n.e.c.	1080	6.37	Motor vehicle body repairers	72	0.42
Nurse aides & orderlies	919	5.42	Plumbers	71	0.42
Truck drivers	729	4.3	Other wood prod. assemblers	70	0.41
Motor vehicle assemblers	609	3.59	Security guards	66	0.39
Material handlers	596	3.51	Aircraft assemblers	65	0.38
Welders	467	2.75	Painters & decorators	65	0.38
Cnstrctn trades helpers	434	2.56	Letter carriers	64	0.38
Shippers & receivers	431	2.54	Printing machine operators	63	0.37
Janitors, caretakers	418	2.46	Foundry workers	63	0.37
Nurses, registered	397	2.34	Aides & assts, other	58	0.34
Grocery clerks & shelf stockers	358	2.11	Woodworking mach. operators	57	0.34
Motor vehicle mechanics	353	2.08	Police officers (excpt commish.)	52	0.31
Labourer food, beverage	319	1.88	Teaching assts, elem. & second	50	0.29
Cooks	306	1.8	General farm workers	50	0.29
Public works workers	305	1.8	Srvce occup, elemental, n.e.c.	49	0.29
Cleaners, light duty	295	1.74	Auto mech insttlrs & srvcr	48	0.28
Sales clerks, retail	263	1.55	Clerks, mail postal	45	0.27
Assmblrs, elec. appliances	219	1.29	Mgrs – retail trade	45	0.27
Heavy duty equip. mechanics	214	1.26	Air transport ramp attndnt	45	0.27
Labourer metal fabrication	183	1.08	Educators & asstnts, early childhood	43	0.25
Food srvce counter attdnts	182	1.07	Corrections service officers	41	0.24
Delivery drivers	181	1.07	Clerks, customer service	41	0.24
Cleaners, specialized	181	1.07	Clerks, parts & storekeepers	41	0.24
Butchers & meatcutters, ind.	180	1.06	Landscape maintenance work	36	0.21
Visiting homemakers	177	1.04	Bartenders	35	0.21
Food & beverage servers	156	0.92	Bus drivers/transit operators	34	0.2
Carpenters	156	0.92	Cabinetmakers	34	0.2
Other prod. machine operators	154	0.91	Plasterers, drywall installers	33	0.19
Painters & coaters, mfg.	144	0.85	Repairers & servicers, n.e.c.	33	0.19
Cashiers	141	0.83	Attendants in amusement	32	0.19
Heavy equip. oper. (except cranes)	124	0.73	Mgrs – restaurant & food	31	0.18
Kitchen & food srvc helper	123	0.73	Miners, undergrnd production	30	0.18
Dietitians & nutritionists	117	0.69	Butchers & meat cutters	29	0.17
Metalworking mach. operators	111	0.65	Aircraft mechanics	28	0.17
Sewing machine operators	107	0.63	Refrign & air cond mechanics	28	0.17
Bakers	105	0.62	Service station attendants	27	0.16
Clerks, general office	99	0.58	Ambulance attendants	27	0.16
Couriers & messengers	95	0.56	Electronics assemblers	27	0.16
Sheet metal workers	95	0.56	Rail conductors & brakemen	26	0.15
Firefighters	94	0.55	Teachers of disabled persons	26	0.15
Electrician (excpt ind.)	94	0.55	Early childhood educ. assts	25	0.15
Soc. serv & community workr	92	0.54	Secretaries (excpt leg./med.)	23	0.14
Rail & motor transport labour	83	0.49	Sales rep, wholesale	22	0.13
Res. & commercial installers	82	0.48	Other metal prod. machinery	22	0.13
Cnstrctn millwrights	81	0.48	Bricklayers	21	0.12
Roofers & shinglers	81	0.48	Med. & hosp. assts, elemental, n.e.c.	21	0.12
Other assemblers & inspectors	79	0.47	Spvsr, other services	21	0.12
Dry clean & laundry	77	0.45	Attendants in recreation/sport	21	0.12
Machinists & machining	76	0.45	Spvsr, food services	20	0.12

TABLES

1. Accidents Reported by Class/2001

Reported means accidents in 2001, whether occurring in 2001 or in previous years

Class	2001	Fatalities	Class	2000	Fatalities
City of Wpg.	1,085	1	City of Wpg.	1,122	3
Class E	39,800	33	Class E	42,546	39
CPR/CNR, Air Can, Via	937	3	CPR/CNR, Air Can, Via	975	2
Govt. Can.	980	1	Govt. Can.	830	2
Prov. Man.	1,559	4	Prov. Man.	1,748	2
Total	44,361	42	**Total**	47,221	48

2. Compensable Accidents Settled by Class/2001

All Time Loss Accidents, Not Specifically Reported, 2001

Class	No Cost Claims	Medical Aid Only	Temporary Disability	Permanent Disability	Fatality	Total	Average Days Lost per Accident 2001	2000	Average Weekly Wage	Average Age
City of Wpg.	63	266	617	15	1	633	20.7	17.0	780	42
Class E	4,104	12,834	15,763	861	20	16,644	28	24.5	516	37
CPR/CNR, Air Can, Via	132	412	263	43	1	307	41.8	38.9	949	44
Govt. Can.	166	183	350	23	0	373	26.1	19.5	726	43
Prov. Man.	274	524	543	34	3	580	23.6	29.8	631	40
Grand Total	4,739	14,219	17,536	976	25	18,537	27.8	24.5	539	37

3. Compensable Accidents Settled

All Time Loss Accidents, Not Specifically Rejected/2001

			Number of Cases					Average		
Group #	Employer Types	Rate Code	Medical Aid Only	Temporary Disability	Permanent Disability	Fatality	Total	Days Lost per Accident (Temporary Disability)	Weekly Wage	Age
Group 1	Forestry	101	2	11	2	1	14	49.4	405	45
		191	10	19	3	0	22	66.3	605	34
Group 2	Mines, Quarries and Oil Wells	201	529	92	44	2	138	46.8	1157	43
		202	32	15	10	0	25	69.1	911	35
		203	51	9	10	0	19	97.8	1095	41
Group 3	Manufacturing	301	776	423	44	0	467	22	460	35
		302	249	346	18	0	364	17.9	588	37
		303	65	83	5	0	88	29	510	33
		305	0	0	1	0	1	0	0	0
		310	1831	2308	98	0	2406	20.2	618	36
		311	437	523	30	0	553	14.4	484	35
		312	173	41	12	0	53	66.4	1059	39
		313	32	63	5	0	68	54.2	420	31
		314	1091	1266	63	2	1331	13.8	426	33
		315	369	601	29	0	630	24	434	38
		316	249	273	22	0	295	13.3	502	34
		319	105	124	11	0	135	14.8	441	35
		320	91	188	6	0	194	14.6	796	42
		321	2	12	1	0	13	10.4	590	32
Group 4	Construction	401	550	632	85	2	719	40.2	558	35
		402	346	319	17	0	336	38.3	721	35
		404	70	123	13	0	136	34.9	569	33
		405	16	22	2	0	24	67.1	820	38
		406	24	13	4	1	18	61.3	999	43
		407	60	61	19	1	81	47.1	684	36
		408	117	151	30	1	182	48.9	671	39
		409	23	18	1	0	19	50.7	657	34
Group 5	Transportation, Communications and Storage	501	440	763	52	3	818	44.4	639	39
		502	59	76	7	1	84	28.3	524	35
		503	93	117	4	1	122	44.8	588	41
		505	59	69	2	0	71	18.2	839	40
		506	81	138	0	0	138	21.4	525	37
Group 6	Trade	601	843	1345	35	1	1381	27.5	374	35
		602	79	98	1	0	99	22.4	328	33
		603	248	395	11	0	406	29.2	470	35
		604	534	529	32	1	561	26	584	36
		605	186	228	10	1	239	18.4	641	36
		607	1	0	2	0	2	0	0	0
		609	12	22	4	0	26	26.7	672	45

3. Compensable Accidents Settled continued

Group #	Employer Types	Rate Code	Number of Cases: Medical Aid Only	Temporary Disability	Permanent Disability	Fatality	Total	Average: Days Lost per Accident (Temporary Disability)	Weekly Wage	Age
Group 7	Service Industries	701	880	911	24	0	935	22.9	281	33
		702	1140	2138	29	0	2167	42.5	503	42
		703	14	17	1	0	18	18.1	396	39
		704	3	1	0	0	1	8	597	38
		705	39	76	1	0	77	25	208	37
		706	52	90	1	0	91	45.6	329	40
		707	29	67	1	0	68	20.3	398	35
		710	6	5	0	0	5	72.8	665	51
		713	2	4	0	0	4	218.5	445	41
Group 8	Public Administration	801	115	110	12	0	122	28.2	551	41
		802	8	9	0	0	9	33.4	501	37
Group 9	Voluntary by Application	901	63	98	5	1	104	20.9	391	38
		902	98	111	10	0	121	21.2	489	35
		903	78	100	6	0	106	23.6	441	38
		904	39	53	2	0	55	33	498	40
		905	35	48	1	0	49	19.3	378	34
		906	1	3	0	0	3	15.3	512	35
		907	5	3	0	0	3	13	987	27
		908	1	0	0	0	0	0	0	0
		909	37	41	4	0	45	14.3	518	33
		911	4	11	0	0	11	13.4	338	36
		912	52	51	4	0	55	13.3	671	46
		914	0	0	1	0	1	0	0	0
		916	2	2	0	0	2	4	410	30
		918	2	0	0	0	0	0	0	0
		921	155	293	12	0	305	32.2	559	45
		922	2	2	1	0	3	27	250	36

4. Accidents Settled & Reported · 1992 - 2001

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Medical aid only	16,103	13,923	13,303	14,986	14,039	14,039	15,822	15,125	14,952	14,219
No cost claims	5,682	4,883	4,509	4,526	4,333	4,391	4,752	4,820	4,706	4,739
Temporary disability	16,993	15,509	16,985	17,574	15,415	16,636	17,704	19,125	17,863	17,536
Permanent disability	742	684	784	748	702	670	659	649	716	976
Fatality	13	25	20	22	27	21	22	23	19	25
Total time loss claims	17,748	16,218	17,789	18,344	16,144	17,327	18,385	19,800	18,598	18,537
Total compensable accidents settled	39,533	35,024	35,601	37,856	34,516	35,757	38,959	39,745	38,256	37,495
Total Accidents Reported	42,203	37,581	42,004	42,378	41,535	43,831	45,999	45,652	47,221	44,361

5a. Fatality Claims Processed in 2001

Fatalities reported in 2001	
New claims	26
Prior year claims	16
Fatalities adjudicated in 2001	
Not accepted	22
Accepted*	25
Fatalities adjudicated in 2001	
Estate, medical only	4
Dependent pensions	
Widow(er)s **	21
Children	16

* One of the fatalities listed as "accepted" for 2001 was listed as "not accepted" in a previous year.
** Widow(er)s may have taken their entitlement as a lump sum rather than monthly pension.

5b. Fatalities Accepted by Cause

	1997	1998	1999	2000	2001
Cancer	6	3	6	7	1
Trauma	9	10	10	6	4
Motor Vehicle Accident	–	2	2	0	3
Cardiac	1	1	4	2	1
Asbestos	–	–	–	–	11
Other	5	6	1	4	5
Total	21	22	23	19	25

Note: In 2001 the method of showing asbestos related deaths was changed. In previous years these deaths were distributed into the Cancer and Other categories. In 2000 there were 7 deaths where the cause was exposure to asbestos.

6. Average Duration of Settled Claims by Accident Year

Year of Accident	1995		1996		1997		1998		1999		2000		2001	
	Average Days	% of Days	Average Days	% of Days	Average Days	% of Days	Average Days	% of Days	Average Days	% of Days	Average Days	% of Days	Average Days	% of Days
Current year	15.7	39.0%	14.9	37.0%	14.4	41.0%	14.8	42%	15.1	45%	15.2	43%	14.8	32%
Previous year	67.8	32.0%	65.2	32.0%	62.3	31.0%	61.3	28%	58.2	30%	65.4	31%	60.6	30%
All prior years	447.7	29.0%	475.8	31.0%	411.7	28.0%	412.2	30%	366.3	25%	385.1	26%	453.1	38%

7. Class E Employers Assessment Statistics · 1991 - 2001

Year	Number Registered	Assessable Payrolls ($ millions)	Assessments ($ thousands)	Average Assessment Revenue per $100 of Payroll
2001	**23,846	*8,291	*126,427	*1.51
2000	23,400	7,984	118,723	1.49
1999	22,962	7,567	110,185	1.46
1998	22,413	7,227	134,484	1.86
1997	20,961	6,814	141,376	2.07
1996	21,114	6,302	141,507	2.25
1995	20,452	6,253	138,758	2.22
1994	19,875	5,920	128,978	2.20
1993	19,350	5,756	123,834	2.15
1992	19,200	5,688	122,329	2.15
1991	19,295	5,400	121,661	2.25

* Estimated amount – final 2001 information will not be available until mid-2002

** Registered employers (including independent contractors) as of December 31, 2001